

# City of Newton, Massachusetts

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



# City of Newton, Massachusetts

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



*Prepared by the Comptroller's Office*

**CITY OF NEWTON, MASSACHUSETTS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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COMPTROLLER'S OFFICE



**CITY OF NEWTON, MASSACHUSETTS**

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**STEPHEN CURLEY**  
COMPTROLLER

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January 25, 2024

Members of the City Council  
Mayor Ruthanne Fuller  
Citizens and Taxpayers of the City of Newton, MA

I am pleased to transmit to you the City of Newton's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This report has been prepared by the Comptroller's Office of the City in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets of the City from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by CliftonLarsonAllen, LLP (CLA), a firm of licensed certified public accountants, who have been hired by and report to the Newton City Council. CLA will carry on as Newton's independent auditor for the contract period from fiscal year 2019 through fiscal year 2023. The independent auditors' unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2023 is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Reports on Internal Control Over Financial Reporting, Compliance and Federal Award Programs.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **History and Profile**

The City of Newton was settled in 1639 and incorporated as a City in 1873. The City is located approximately seven miles from downtown Boston and is bordered by the West Roxbury section of Boston on the southeast, the Town of Needham on the southwest, the Towns of Wellesley and Weston on the west, the City of Waltham and Town of Weston on the north; and the Town of Brookline and the Allston-Brighton sections of Boston on the east.

The City has an estimated total population of 87,453 and occupies a land area of 18.15 square miles. The City is principally suburban-residential in character and consists of 13 distinct villages – Auburndale; Chestnut Hill; Newton Centre; Newton Corner; Newton Highlands; Newton Lower Falls; Newton Upper Falls; Newtonville; Nonantum; Oak Hill; Thompsonville; Waban; and West Newton. Open space comprises 18.4% of the City's total land area, of which 49% is publicly owned.

Newton has a diversified economic base with approximately 46,300 individuals employed in over 4,000 establishments within the boundaries of the City, with an estimated annual payroll in excess of \$6 billion. Businesses are generally small and service-oriented with professional, business, education, and health services accounting for over 60% of all jobs.

Commercial uses occupy 4.5% of the City's land area. Over 34% of commercial land parcels are office uses; 12% are small retail uses; and 5% are storage or warehouse uses. Only 0.6% of the City's land area is industrial. Newton is a desirable community to live and work in due to its proximity to Boston; an excellent public school system; multiple transportation systems; attractive neighborhoods; high property values; and well managed local government. Newton has an award-winning public library and a City museum that was a stop on the Underground Railroad.

## **Organizational Structure**

The City is governed under a home-rule charter, which vested executive authority and responsibility in an elected Mayor, who serves a four-year term. Legislative authority is vested in a 24-member City Council, of which eight members are elected from the City's eight wards and sixteen are elected at large. Members of the City Council are elected every two years. An eight member School Committee is elected every two years and is responsible for appointing the Superintendent of Schools, who has responsibility for the daily administration of the Newton Public Schools.

## **Services**

The City provides a complete range of municipal services including education, public safety, public works, recreation, library, cultural and health and human services. The Massachusetts Water Resources Authority provides public water supply and sewerage treatment services.

## **Reporting Entity**

The basic financial statements along with the combining statements and schedules included in this report relate to the activities under the direction and control of the Mayor, City Council and School Committee. The activities of the Newton Contributory Retirement System are included in this report as a blended component unit as prescribed by GAAP. The activities of the Newton Community Development Authority and Newton Commonwealth Foundation are discretely presented component units. The Newton Housing Authority is excluded from this report because it falls outside the direction and control of the Mayor and City Council.

## **Financial Management**

The Mayor is responsible for the preparation of the City's capital improvement plan; a multi-year financial forecast; and annually recommended capital and operating budgets. The City Council is responsible for review and approval of all appropriations recommended by the Mayor. An eight-member Finance Committee of the City Council oversees financial policy and a majority of the membership of the Finance Committee also serves on the Audit Subcommittee.

The City's senior financial and administrative management team consists of the Chief Financial Officer; the Chief Operating Officer; the Treasurer/Collector and Chief Assessor who are appointed by the Mayor and approved by the City Council; and the Comptroller who is appointed by the City Council.

The City's three-member Board of Assessors, appointed by the Mayor, is responsible for maintaining accurate real estate and personal property values. Property values are adjusted annually to capture changes in the local real estate market and to make certain the City's assessed valuations are fair and accurate.

The Treasurer/Collector is responsible for revenue collections, cash and debt management, and the administration of parking violations. Real estate and personal property taxes are billed quarterly, thereby eliminating the need to borrow in anticipation of revenue. On-line transactions and a lock-box system are used for the majority of real estate, personal property, motor vehicle and utility cash collections.

The Comptroller is responsible for maintaining the City's accounting records, and reporting the City's financial activity and position. Detailed quarterly revenue and expenditure information is provided on-line to operating departments. Quarterly comparative financial management reports are issued to the Mayor, City Council and public on the Comptroller's page of the City web site. Un-audited budgetary basis year-end financial reports are issued within 90 days of the close of the fiscal year, and audited financial statements are issued shortly before or after the end of the calendar year.

## **Financial Planning**

Three on-going financial management challenges facing the City for the past several years have been the need to more aggressively fund the City's defined benefit pension plan; the need to formalize a plan for actuarially funding the City's Other Post-Employment Benefits (OPEB) liability; and the need to fund general purpose budget reserves.

The City is currently on track to fund its defined benefit pension obligations in full by fiscal year 2032. The Plan's Net Pension Liability increased from \$246.9 million as of December 31, 2021, to \$324.4 million as of December 31, 2022. The funded ratio, or the ratio of the actuarial value of assets to the actuarial accrued liability decreased from 68.07% to 59.36%. For fiscal year 2023, the appropriation increased by 9.6%, but in later years each year's appropriation increases will be 6.6%.



The OPEB trust ended fiscal year 2023 with assets of \$31.0 million, \$5.5 million or 21.8% greater than the funded balance on June 30 of the previous fiscal year. Although the City has yet to formally adopt a funding plan for its OPEB liabilities, the January 1, 2023 OPEB actuarial valuations include significant funding to begin in fiscal year 2033, after the defined benefit plan is scheduled to be actuarially funded. Eight years later, by fiscal year 2039, the City's OPEB obligations will reach full actuarial funding.

The City's Rainy Day Stabilization Fund ended fiscal year 2023 with a fund balance of \$24.7 million, \$676,000 more than the balance as of the start of the year and 5% of General Fund expenditures for the year.

### **Accounting System and Budgetary Control**

The management of the City is responsible for establishing and maintaining adequate internal controls to:

- Properly safeguard assets.
- Provide reasonable assurance on the accuracy and reliability of the accounting records used in the preparation of the basic financial statements.
- Provide reasonable assurance relative to compliance with legal and contractual constraints on the custody and use of assets.

Departmental expenditure budgets are prepared and accounted for on a line-item basis. However, legally binding appropriations are made for Personal Services, Expenses, Fringe Benefits, Debt Service and Capital Outlay. Line-item transfers within an expenditure category may be made with the approval of the Department Head and Comptroller. Transfers between expenditure categories require the approval of the Mayor and City Council.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds to maintain budgetary control.

An analysis of all legally adopted operating and capital budgets are presented in the combining and individual fund statements and schedules section of this report.

The City's books on fiscal year 2023 were closed within 90 days of year end and on September 25, 2023 the Massachusetts Department of Revenue certified the City's July 1, 2023 free cash (General Fund balance available for appropriation) at \$27.9 million. All statutory filings have also been made with the Massachusetts Department of Revenue and the Department of Elementary and Secondary Education.

### **Cash Management**

Quarterly billing of real estate and personal property taxes coupled with timely water and sewer utility billing has eliminated the need to borrow in anticipation of revenue. Idle cash is invested by the Treasurer/Collector and governed by the Municipal Finance Laws of the Commonwealth of Massachusetts.

Trust Fund, Permanent Fund and Internal Service Fund assets, which the City does not expect to liquidate for current operations, are invested in U.S. Government, fixed income and/or equity securities. Professional investment managers oversee the City's long-term investments.

The City's Retirement Board voted at its May 2007 meeting to transfer investment management responsibility for the system's investment portfolio to the Commonwealth of Massachusetts Pension Reserve Investment Trust effective July 1, 2007. The Retirement System's assets are segregated from other City assets and are managed by a variety of professional investment managers who have been selected by the Massachusetts Pension Reserve Investment Trust, to achieve the Board's asset allocation policy.

## **Risk Management**

The City is self-insured for group health, workers' compensation, and general liability insurance. Individual Internal Service Funds are maintained for purposes of accumulating sufficient assets to meet fund liabilities.

The City purchases property insurance from a commercial insurance company. All other risk exposures are self-insured by the City.

In accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the City's June 30, 2023 actuarial valuation used the data, assumptions, and plan of benefits as of June 30, 2022 contained in the June 30, 2023 report. GASB 75 permits a measurement date as early as the end of the fiscal year prior to the reporting date. The City's Net OPEB Liability increased from \$667.0 million as of June 30, 2022 to \$675.8 million as of June 30, 2023, and the Plan's Fiduciary Net Position as a percent of the Total OPEB Liability increased from 3.66% to 4.38%.

Newton, like most communities in Massachusetts and in New England, does not currently have a formally adopted plan for funding health benefits on a basis other than the historical pay as you go approach. Beginning on July 1 of 2012 the City began contributing 2.5% of compensation for all new health plan participants; the 2.5% contribution level was increased to 3% in 2014, and eventually to the current rate of 3.75%. Please refer to the footnotes and required supplementary information for more detailed information on the City's health benefit obligations.

## **Audit Committee**

In order to strengthen the City's internal controls and financial reporting, the City Council established a permanent audit committee, consisting of both representatives of the City Council and Newton residents with financial management and audit education and experience. The Committee held a number of meetings with management and the City's independent auditors in fiscal year 2023.

## **Awards and Acknowledgments**

The City currently maintains an Aaa credit rating with both Moody's Investor Service and S&P.

The Comptroller's Office succeeds because of the exceptional and professional commitment of the staff of the Comptroller's Office, including Stela Zaloshnja, Regina Zegarelli, Denise King, Michelle Tan, Valerie-Anne Siek and Azeb Abrha. I would also like to thank the Chair of the Finance Committee, City Councilor Rebecca Walker Grossman, and members of the Finance Committee for their assistance and support. Thank you to the public accounting firm of CliftonLarsonAllen, LLP for the successful completion of this year's audit and for all of their advice and assistance in the preparation of this report and over the course of the year.

Respectfully,

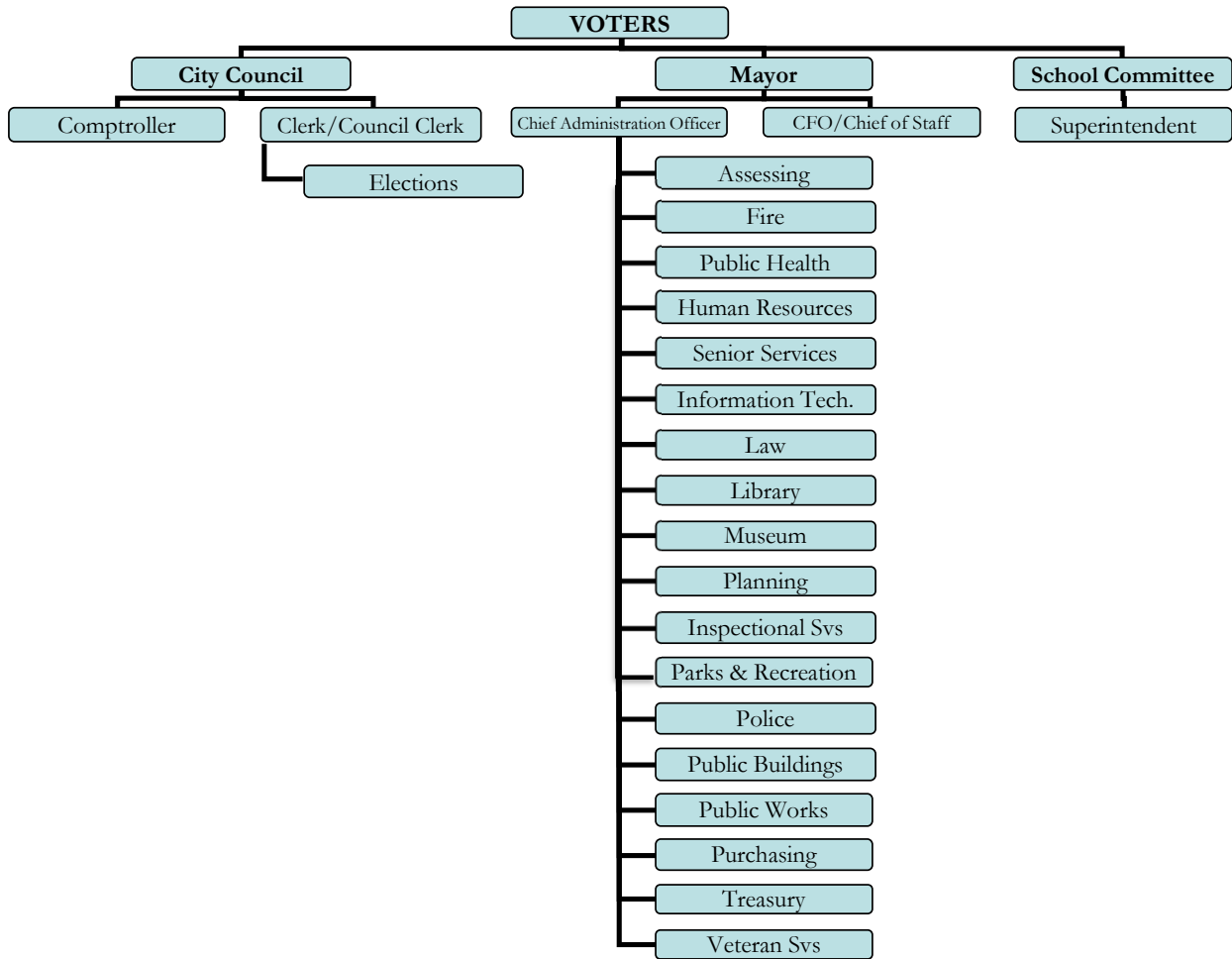
A handwritten signature in black ink, appearing to read 'S Curley', written over a light gray rectangular background.

Stephen Curley  
Comptroller, City of Newton

CITY OF NEWTON, MASSACHUSETTS

ORGANIZATIONAL CHART

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**CITY OF NEWTON, MASSACHUSETTS**  
ELECTED OFFICIALS AND DEPARTMENT HEADS  
June 30, 2023

**CITY COUNCIL**

Susan Albright, President  
Richard A. Lipof, Vice-President  
R. Lisle Baker, President Emeritus  
Rebecca Walker Grossman, Finance Committee Chair  
David A. Kalis, Finance Vice Chair  
Alicia Bowman  
Alison M. Leary  
Tarik J. Lucas  
Andreae Downs  
Andrea W. Kelley  
Brenda Noel, Finance Committee  
Christopher J. Markiewicz  
Deborah Crossley  
Emily Norton, Finance Committee  
Holly Ryan  
John Oliver, Finance Committee  
Joshua Krintzman  
Julia Malakie, Finance Committee  
Leonard J. Gentile, Finance Committee  
Marc C. Laredo  
Maria Scibelli Greenberg  
Pamela Wright  
Victoria L. Danberg  
William Humphrey, Finance Committee

**SCHOOL COMMITTEE**

Tamika Olszewski, Chair  
Kathleen Shields, Vice-Chair  
Rajeev Parlikar  
Christopher Brezski  
Anping Shen  
Emily Prenner  
Paul Levy  
Cove Johnstone Davis  
Mayor Ruthanne Fuller, Ex Officio Member  
Dr. Kathleen Smith, Interim Superintendent of Schools  
Liam Hurley, Assistant Superintendent/Chief Financial & Adm. Officer

**EXECUTIVE**

Mayor Ruthanne Fuller  
Maureen Lemieux, Chief Financial Officer  
Jonathan Yeo, Chief Operating Officer

**DEPARTMENT HEADS**

Accounting: Stephen Curley, Comptroller  
Assessing: James Shaughnessy, Director and Chair, Board of Assessors  
City Clerk/Clerk of Board: Carol Moore, City Clerk/Clerk of the Board  
Elections: Carol Moore, City Clerk/Clerk of the Board  
Fire: Gregory Gentile, Fire Chief  
Health & Human Services: Linda Walsh, Commissioner  
Human Resources: Michelle Pizzi O'Brien, Director  
Financial Services: Maureen Lemieux, Chief Financial Officer  
Information Technology: Joseph Mulvey, Chief Information Officer  
Inspectional Services: John Lojek, Commissioner  
Newton History Museum: Lisa Dady, Director  
Law: Alissa Guiliani, City Solicitor  
Library: Jill Mercurio, Director  
Parks & Recreation: Nicole Banks, Commissioner  
Planning & Development: Barney Heath, Director  
Police: John Carmichael, Police Chief  
Public Buildings: Josh Morse, Commissioner  
Public Works: James McGonagle, Commissioner  
Purchasing: Nicholas Read, Chief Procurement Officer  
Senior Services: Mignonne Murray, Director  
Treasury: Ron Mendes, Treasurer & Collector  
Veteran Services: Seth Bai, Veteran Services Officer

**CONTRIBUTORY RETIREMENT BOARD**

Thomas Lopez, Chair & Elected Member  
Anthony T. Logalbo, Vice Chair & Mayoral Appointee  
Lisa Maloney, Appointed Member  
Paul Bianchi, Elected Member  
Stephen Curley, Ex Officio Member  
Barbara O'Brien, Retirement System Director

# ***FINANCIAL SECTION***



## Independent Auditors' Report

To the Honorable City Council and Mayor  
City of Newton, Massachusetts

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts (the City), as of and for the year ended June 30, 2023 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation, Inc., a discretely presented component unit, which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation Inc., a discretely presented component unit, which is as of and for the year ended December 31, 2022), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Newton Commonwealth Foundation, Inc., a discretely presented component unit which statements reflect total assets, net position, and operating revenues constituting 57.5%, 57.2% and 94.6%, respectively, of total assets, net position, and operating revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newton Commonwealth Foundation, Inc., is based solely of the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund and community preservation budgetary comparisons, and certain pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain



limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Boston, MA  
January 25, 2024

# **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Newton (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City (primary government) for the fiscal year ended June 30, 2023.

### **Financial Highlights:**

- Total liabilities and deferred inflows of City resources exceeded total assets and deferred outflows of resources as of the close of the most recent fiscal year by \$366 million – an increase of \$78.4 million or 17.7% from June 30, 2022. The negative (\$366) million net position for June 30, 2023 consisted of \$538.0 million in negative net position in governmental activities and a positive \$172.3 million in the City's business type activities.
- At June 30, 2023, the City's governmental funds reported a combined fund balance of \$183.7 million. The combined governmental funds fund balance increased by \$30.8 million (20.2%) from the prior year's ending fund balance.
- The City's general fund reported total fund balance of \$116 million at the end of fiscal year 2023, a \$12.3 million (12%) increase from the total fund balance at June 30 of the prior fiscal year. The unassigned portion of the fund balance increased by \$7.0 million to \$81.9 million or 15.1% of total general fund revenues and other financing sources. The unassigned fund balance includes \$24.7 million set aside as a "Rainy Day Stabilization" fund.

### **Overview of the Financial Statements:**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The *statement of net position* presents information on all of the City's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the cash flows*. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements summarize functions and programs of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions and programs that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include the broad functions of general government; public safety; education; public works; health & human services; culture and recreation; debt service – interest, and the major services provided within each functional category. The business-type activities of the City include two enterprise activities: the water system and the sanitary sewer system. Trend information for the past 10 years can be found in the Statistical Section of this report.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions and programs reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluation a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations may be found in the Basic Financial Statements.

The City maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *community preservation fund*, the *American Rescue Plan Act (ARPA) fund*, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation under the caption *non-major governmental funds*. A brief description and individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* in this report. The governmental funds financial statements can be found in the Basic Financial Statements of this report. Trend information may be found in the Statistical Section of this report.

**Proprietary funds:** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, sanitary sewer and storm water activities. *Internal service funds* are an accounting device used to accumulate and allocate the costs internally among the City's various functions, including employee health benefits; workers' compensation; public building insurance; and general liability self-insurance activities. The services provided by these funds predominately benefit the governmental rather than the business-type functions. Accordingly, the internal service funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitary sewer and storm water activities. The water and sanitary sewer funds are considered major funds of the City. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. A brief description of each fund and individual fund data for the internal service funds is provided in the form of *combining statements* in this report. The basic proprietary fund financial statements can be found in the Basic Financial Statements of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* included in the government-wide financial statements because the resources of the funds are *not* available to support the City's own functions and activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements provide combined information for the pension and other post-employment trust funds of the City. All other fiduciary funds are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "custodial funds", respectively. A brief description of each fund and individual fund data for the private purpose trust funds is provided in the form of *combining statements* of this report. The fiduciary funds financial statements can be found in the Basic Financial Statements of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the Basic Financial Statements of this report. A brief description of fund balance terminology required by Governmental Accounting Standards Board Statement 54 for governmental funds is presented in the notes along with a detailed analysis of the major components of each fund balance account.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's progress in funding its obligation to provide pension and post-employment benefits to its employees. Such information is located after the Notes to the Basic Financial Statements of this report.

The combining statements previously referred to are presented immediately following the notes to the basic financial statements.

## Government-wide Financial Analysis:

**Net Position:** The City's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources exceeded by \$366 million at June 30, 2023. This represents an increase of \$78.4 million or 17.7% in the total net position at June 30 of the prior year.

The following table presents current and prior year data regarding the City's net position:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets.....	\$ 304,446,578	\$ 280,848,845	\$ 101,945,732	\$ 88,987,981	\$ 406,392,310	\$ 369,836,826
Noncurrent assets (excluding capital assets).....	9,277,615	7,032,118	147,870	182,496	9,425,485	7,214,614
Capital assets (net).....	624,458,696	620,022,300	150,731,655	141,363,296	775,190,351	761,385,596
Total assets.....	938,182,889	907,903,263	252,825,257	230,533,773	1,191,008,146	1,138,437,036
<b>Deferred Outflows of Resources</b>	80,694,601	86,942,900	2,355,260	2,283,471	83,049,861	89,226,371
<b>Liabilities</b>						
Current liabilities (excluding debt).....	95,122,932	101,834,891	3,936,721	2,801,948	99,059,653	104,636,839
Noncurrent liabilities (excluding debt).....	986,164,502	903,515,973	26,567,018	23,739,755	1,012,731,520	927,255,728
Current debt.....	17,386,386	16,856,297	5,400,169	4,291,853	22,786,555	21,148,150
Noncurrent debt.....	283,104,300	289,957,549	42,828,800	35,158,664	325,933,100	325,116,213
Total liabilities.....	1,381,778,120	1,312,164,710	78,732,708	65,992,220	1,460,510,828	1,378,156,930
<b>Deferred Inflows of Resources</b>	175,062,504	286,297,687	4,194,004	7,346,567	179,256,508	293,644,254
<b>Net Position</b>						
Net investment in capital assets.....	345,936,022	323,164,760	137,155,090	133,006,941	483,091,112	456,171,701
Restricted.....	45,192,173	39,478,139	-	-	45,192,173	39,478,139
Unrestricted.....	(929,091,329)	(966,259,133)	35,098,715	26,471,516	(893,992,614)	(939,787,617)
Total net position.....	\$ (537,963,134)	\$ (603,616,234)	\$ 172,253,805	\$ 159,478,457	\$ (365,709,329)	\$ (444,137,777)

The largest single components of the City's negative total net position are \$321 million in unfunded pension benefits (Net Pension Liabilities) and \$676 million in unfunded OPEB liabilities (Net OPEB Liabilities). The unfunded pension benefit total represents the difference between benefit obligations and assets that have been accumulated in the Pension Trust Fund. The funding schedule for the City's defined benefit retirement plan anticipates full actuarial funding in the fiscal year ending June 30, 2032. The unfunded OPEB total represents the difference between benefit obligations and assets that have been accumulated in the OPEB Trust Fund.

Although the City has yet to formally adopt a funding plan for its OPEB liabilities, a new OPEB actuary was engaged in 2017 to prepare a funding plan that provides for meaningful funding to begin after the defined benefit plan is scheduled to be actuarially funded.

The City's net investment in capital assets represents the investment in capital assets (e.g., land and land improvements, intangible assets, buildings and improvements, machinery and equipment, road network, water system, sewer system and construction in progress) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens therefore the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay debt must be provided from other sources, since capital assets themselves, cannot be used to liquidate these liabilities. Please refer to the notes for a detailed calculation of the City's net investment in capital assets.

An additional portion of the City's net position represents resources that are subject to restrictions placed on how they may be used by parties external to the City. A summary of all major components of the restricted net position may be found on the face of the Statement of Net Position.

**Changes in net position:**

The following table presents current and prior year data regarding the City's changes in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
<i>Program Revenues:</i>						
Fees, fines and charges for services.....	\$ 40,101,398	\$ 32,291,832	\$ 66,988,763	\$ 62,874,448	\$ 107,090,161	\$ 95,166,280
Operating grants and contributions.....	104,623,688	110,210,080	504,912	476,860	105,128,600	110,686,940
Capital grants and contributions.....	610,063	9,985,525	3,993,475	56,819	4,603,538	10,042,344
<i>General Revenues:</i>						
Real estate and personal property taxes.....	413,912,744	384,990,632	-	-	413,912,744	384,990,632
Motor vehicle and other excise taxes.....	14,573,965	14,099,381	-	-	14,573,965	14,099,381
Hotel room occupancy taxes.....	1,979,180	1,164,749	-	-	1,979,180	1,164,749
Meals taxes.....	2,387,099	1,982,019	-	-	2,387,099	1,982,019
Cannabis state taxes.....	648,681	524,737	-	-	648,681	524,737
Penalties and interest on taxes.....	1,383,623	6,475,203	-	-	1,383,623	6,475,203
Payments in lieu of taxes.....	242,126	113,922	-	-	242,126	113,922
Community preservation surcharges.....	4,018,273	3,799,412	-	-	4,018,273	3,799,412
Grants and contributions not restricted						
to specific programs.....	8,392,099	7,140,815	-	-	8,392,099	7,140,815
Unrestricted investment income.....	10,144,691	877,523	-	-	10,144,691	877,523
Other.....	3,274,546	3,031,108	-	-	3,274,546	3,031,108
Total revenues.....	<u>606,292,176</u>	<u>576,686,938</u>	<u>71,487,150</u>	<u>63,408,127</u>	<u>677,779,326</u>	<u>640,095,065</u>
<b>Expenses</b>						
General government.....	33,623,736	48,571,545	-	-	33,623,736	48,571,545
Public safety.....	87,748,682	76,304,626	-	-	87,748,682	76,304,626
Education.....	344,203,438	334,630,801	-	-	344,203,438	334,630,801
Public works.....	35,735,972	34,441,411	-	-	35,735,972	34,441,411
Health and human services.....	13,716,818	13,597,466	-	-	13,716,818	13,597,466
Culture and recreation.....	21,228,239	19,127,922	-	-	21,228,239	19,127,922
Debt service - interest.....	9,017,014	8,963,596	-	21,574,951	9,017,014	30,538,547
Water.....	-	-	20,802,779	28,952,544	20,802,779	28,952,544
Sewer.....	-	-	31,285,898	1,600,409	31,285,898	1,600,409
Stormwater.....	-	-	1,988,302	-	1,988,302	-
Total expenses.....	<u>545,273,899</u>	<u>535,637,367</u>	<u>54,076,979</u>	<u>52,127,904</u>	<u>599,350,878</u>	<u>587,765,271</u>
Change in net position before transfers.....	61,018,277	41,049,571	17,410,171	11,280,223	78,428,448	52,329,794
Transfers, net.....	<u>4,634,823</u>	<u>4,498,350</u>	<u>(4,634,823)</u>	<u>(4,498,350)</u>	-	-
Change in net position.....	65,653,100	45,547,921	12,775,348	6,781,873	78,428,448	52,329,794
Net position - beginning of year.....	<u>(603,616,234)</u>	<u>(649,164,155)</u>	<u>159,478,457</u>	<u>152,696,584</u>	<u>(444,137,777)</u>	<u>(496,467,571)</u>
Net position - end of year.....	<u>\$ (537,963,134)</u>	<u>\$ (603,616,234)</u>	<u>\$ 172,253,805</u>	<u>\$ 159,478,457</u>	<u>\$ (365,709,329)</u>	<u>\$ (444,137,777)</u>

Total revenue for the year ended June 30, 2023 amounted to \$678 million, an increase of \$38 million or 5.9% from the prior year. Real estate tax revenue, the City's largest revenue source, accounted for \$29 million or 76% of the revenue growth.

Total expenses increased by \$12 million or 2.0% during the year.

Expenses in the Statement of Activities are reported by program and major function in order to provide the reader with an understanding of the full and net cost of providing the range of local services that the City provides.

Public education continues to be the function receiving the largest commitment of City resources. For the year ended June 30, 2023, total spending for education purposes was \$344 million or 57% of total spending and 63% of governmental activity spending.

**Governmental activities** – Governmental activities increased the City’s net position by \$66 million or 11% during fiscal 2023 primarily due to overall decreases in net pension and OPEB liabilities and deferrals. A summary of revenues and major functional expenses is included in the tables presented previously. In order to assist the reader in understanding more completely the full cost of the major services provided by the City within each of the broad functional classifications identified above, the Statement of Activities, provides a detailed accounting of all major service expenses, related revenues, and each service’s consumption of general revenues (principally property taxes).

**Business-type activities** – Business-type activities increased the City’s net position by \$13 million or 8% during fiscal year 2023.

#### **Financial Analysis of Governmental Funds:**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the City’s governmental funds reported a combined fund balance totaling \$184 million, a \$31 million or 20% increase from the prior year reported financial position.

The General fund is the primary operating fund of the City and at June 30, 2023 reported a total fund balance of \$116 million, \$12 million or 12% more than the total fund balance for the previous fiscal year. The unassigned portion of fund balance increased from \$72.9 million or 14.1% of total fund revenues and other financing sources at June 30, 2022 to \$81.9 million or 15.1% of fund revenues and other financing sources at June 30, 2023. The City’s Rainy Day (fiscal/economic stabilization) Fund accounts for \$24.7 million or approximately 30% of the current Unassigned Fund Balance. The Rainy Day fund balance represents 5% of General Fund expenditures for the year.

**City of Newton, Massachusetts**  
**General Fund**  
**Fund Trends – Fiscal year 2023 and (5) previous fiscal years**

	2023	2022	2021	2020	2019	2018
Total fund balance	\$ 116,079,054	\$ 103,752,236	\$ 84,140,115	\$ 73,025,039	\$ 71,020,024	\$ 66,621,935
Less: Fund balance restrictions for:						
Debt service.....	1,908,803	2,017,980	2,127,157	2,234,379	2,234,379	2,339,315
Capital.....	26,732	26,732	26,732	195,477	195,477	195,477
Less: Fund balance committed for:						
Subsequent year's expenditures.....	1,611,210	1,609,177	1,609,179	4,107,222	1,904,936	1,602,738
Capital.....	170,580	170,580	170,580	170,580	370,580	728,835
Continued appropriations.....	18,349,928	16,115,275	9,395,485	9,686,686	12,999,204	12,057,695
Less: Fund balance assigned for:						
Encumbrances.....	11,924,922	10,527,328	9,725,644	8,043,255	5,773,803	5,656,818
Capital.....	194,853	344,066	332,022	157,462	80,609	10,677
Unassigned fund balance.....	81,892,026	72,941,098	60,753,316	48,429,978	47,461,036	44,030,380
Total revenues & other financing sources.....	\$ 542,629,933	\$ 516,678,237	\$ 507,218,310	\$ 486,750,057	\$ 464,574,323	\$ 444,960,412
Total fund balance as % total revenues and ofs.....	21.4%	20.1%	16.6%	15.0%	15.3%	15.0%
Unassigned fund balance as % total revenues and ofs.....	15.1%	14.1%	12.0%	9.9%	10.2%	9.9%

Total general fund revenues and other financing sources increased by \$26.0 million or 5.0%, during fiscal year 2023 principally as a result of real estate and personal property tax collections and investment income.

Property tax revenue growth of \$19.7 million accounted for 67% of all revenue growth for the year. The 5.0% increase in property tax revenue resulted from a combination of the normal increase authorized by Proposition 2 ½ and new growth. A tax refund payable liability of \$5.0 million has been recorded at fiscal year-end for abatement applications that, in the opinion of the Board of Assessors, are likely to result in tax refunds.

A detailed schedule of inter-fund transfer activity is presented in the notes of this report.

Source	Amount	% of Total	Increase/ (Decrease)	% Change
Real estate and personal property taxes.....	\$ 411,266,171	75.8%	\$ 19,732,938	5.0%
Motor vehicle excise taxes.....	14,225,562	2.6%	(82,512)	-0.6%
Hotel room occupancy taxes.....	1,979,180	0.4%	814,431	69.9%
Meals taxes.....	2,387,099	0.4%	405,080	20.4%
Cannabis state tax.....	648,681	0.1%	123,944	N/A
Penalties and interest on taxes.....	1,383,623	0.3%	(5,091,580)	-78.6%
Licenses and permits.....	13,410,380	2.5%	436,263	3.4%
Intergovernmental.....	71,767,005	13.2%	4,044,563	6.0%
Charges for services.....	4,466,071	0.8%	640,108	16.7%
Fines and forfeitures.....	1,193,338	0.2%	488,369	69.3%
Investment income.....	9,744,229	1.8%	8,891,683	1043.0%
Payments in lieu of taxes.....	242,126	0.0%	(2,091,297)	-89.6%
Special assessments.....	32,156	0.0%	1,657	5.4%
Other.....	1,128,607	0.2%	919,312	439.2%
<b>Total revenues.....</b>	<b>533,874,228</b>	<b>98.4%</b>	<b>29,232,959</b>	<b>5.8%</b>
Transfers from other funds.....	8,755,705	1.6%	(3,281,263)	-27.3%
<b>Total revenues and other financing sources.....</b>	<b>\$ 542,629,933</b>	<b>100.0%</b>	<b>\$ 25,951,696</b>	<b>5.0%</b>



Total general fund expenditures and transfers to other funds totaled \$530.3 million, an increase of \$32.1 million or 6.5% from the previous fiscal year.

	Amount	%	Increase/ (Decrease)	%
		of Total		Change
General government.....	\$ 21,978,515	4.1%	\$ (775,352)	-3.4%
Public safety.....	58,875,440	11.1%	1,578,358	2.8%
Education.....	296,948,559	56.1%	12,406,742	4.4%
Public works.....	31,917,654	6.0%	2,283,904	7.7%
Health and human services.....	5,950,268	1.1%	162,675	2.8%
Culture and recreation.....	14,150,545	2.7%	657,321	4.9%
Retirement benefits.....	51,710,352	9.8%	3,937,933	8.2%
Workers' compensation insurance.....	1,200,000	0.2%	-	0.0%
Property and liability insurance.....	708,939	0.1%	41,700	6.2%
Claims and judgements.....	657,591	0.1%	(1,201,002)	-64.6%
State assessments and charges.....	6,542,353	1.2%	89,108	1.4%
Debt service				
Principal.....	15,149,667	2.9%	590,000	4.1%
Interest.....	9,786,419	1.8%	(253,054)	-2.5%
Total expenditures.....	515,576,302	97.2%	19,518,333	3.9%
Transfers to other funds.....	14,726,813	2.8%	12,617,006	598.0%
Total expenditures and transfers.....	\$ 530,303,115	100.0%	\$ 32,135,339	6.5%

During the fiscal year ended June 30, 2023, the City realized \$5.9 million in CPA fund revenue, \$4.0 million (68%) of which came from the local property tax surcharge. State matching funds amounted to \$1.5 million. Fund expenditures and transfers out totaled \$5.6 million for the year.

During the fiscal year ended June 30, 2023, the City realized \$10.3 million in ARPA grant revenue. Fund expenditures and transfers out totaled \$10.3 million for the year.

**Proprietary funds** - The City's proprietary funds provide the same information found in the government-wide statements, but in slightly more detail. Proprietary fund net position's net investment in capital assets represents principally the City's water supply and distribution system; the sanitary sewer collection system; and the storm water drainage system.

The financial position of the City's sewer fund increased by \$5.6 million to \$95.1 million at June 30, 2023. Unrestricted fund net position was \$16.7 million at June 30, 2023.

The financial position of the City's water fund increased during the last fiscal year from \$60.9 million at June 30, 2022 to \$66.6 million at June 30, 2023. Unrestricted fund net position was \$12.5 million.

The City's stormwater management fund ended the year with a net position of \$10.5 million – an increase of \$1.5 million from June 30, 2022. Unrestricted net position amounted to \$5.9 million.

The financial position of the City's Internal Service Funds decreased by \$2.2 million during the year ended June 30, 2023. Internal service funds are used to account for the City's self-insured group health insurance; workers compensation; and general liability risk exposures and to fund property insurance premiums for City buildings and contents. Detailed information on the self-insurance funds is presented in the Combining Statements section of this report.

The financial position of the City's workers compensation self-insurance fund increased by \$1.6 million during the year.

The financial position of the group health self-insurance fund decreased by \$3.9 million. The \$7.5 million year-end net position represents approximately 1.2 months of average paid claims. The City’s desired target financial position for the fund is 1.5 – 2.0 months of average paid claims.

**Fiduciary funds** – The net position of the City’s contributory retirement system decreased by \$53 million (9.9%) to \$474 million during the system’s fiscal year that ended December 31, 2022, as a result of the fact that investment loss for the year (net of investment management fees) was \$57 million. According to the Commonwealth of Massachusetts Public Employee Retirement Administration Commission’s 2021 Annual Report, the Newton Contributory Retirement System’s investment portfolio returned -10.44% for the year (compared to a long term return assumption of 6.9% for funding and financial reporting). The plan’s average annual return since 1985 is 8.50%.

The funded status of the defined benefit retirement plan at January 1, 2023 on an actuarial funding basis was 61.93%. Based upon a new funding schedule that was formally adopted by the City, the plan is expected to be fully funded in the fiscal year ending June 30, 2032. The new funding schedule assumes a 6.6% annual increase in City appropriations to the defined benefit trust; average annual investment returns of 6.9%; and projected annual salary increases ranging from 3.5% to 8.0% per year. More specific information about the local retirement system may be found in the Notes to the Basic Financial Statements.

The net position of the City’s OPEB fund increased from \$25.3 million to \$30.9 million during fiscal year 2023, primarily as a result of contributions exceeding benefits. All OPEB assets are invested with the Commonwealth of Massachusetts State Employee Benefit Fund (under the management of the Pension Reserve Investment Management Board).

**General Fund Budgetary Highlights:**

The difference between the original General Fund budget and the final amended budget is summarized as follows:

Description	Amount
Capital outlay and improvements.....	\$ 17,628,524
Municipal salaries.....	1,750,000
Newton Public Schools.....	1,644,821
Legal Claims.....	580,000
All other.....	958,444
	<u>22,561,789</u>
Total supplemental appropriations.....	\$ <u>22,561,789</u>

All but \$4.9 million (1.0%) of total appropriations were expended, encumbered, or continued into fiscal year 2024 for completion of the appropriated purposes at June 30, 2023. Please refer to the Schedule of Expenditures and Transfers Out – Budget to Actual – Legal Level of Control, for a complete accounting of budget to actual experience for all City departments.

**Capital Assets and Debt Administration**

**Capital assets** – The City’s total investment in capital assets for governmental and business-type activities as of June 30, 2023, amounts to \$775 million. The investment in capital assets includes land and land improvements, intangible assets, buildings and improvements, machinery and equipment, infrastructure and construction in progress.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and improvements.....	\$ 55,976,052	\$ 54,491,052	\$ 284,785	\$ 284,785	\$ 56,260,837	\$ 54,775,837
Intangible assets.....	2,238,261	2,238,261	-	-	2,238,261	2,238,261
Buildings and improvements.....	397,042,982	409,882,817	1,633,557	1,802,375	398,676,539	411,685,192
Machinery and equipment.....	28,548,951	28,418,655	5,716,139	6,330,354	34,265,090	34,749,009
Infrastructure.....	110,864,137	107,395,425	136,587,460	132,313,688	247,451,597	239,709,113
Construction in progress.....	29,788,313	17,596,090	6,509,714	632,094	36,298,027	18,228,184
Total capital assets.....	\$ <u>624,458,696</u>	\$ <u>620,022,300</u>	\$ <u>150,731,655</u>	\$ <u>141,363,296</u>	\$ <u>775,190,351</u>	\$ <u>761,385,596</u>

Total capital assets, net of accumulated depreciation, increased by \$14 million. Major capital asset events during 2023 included the following:

- Business-type activity net capital assets increased by \$9 million, due to water and sewer system improvements funded with Massachusetts Water Resources Authority grants and interest free loans, and locally funded sewer infiltration and inflow reduction, water main cleaning and relining programs, and stormwater drainage construction projects.
- Governmental activity capital assets (net) increased by \$4 million, principally as a result of public building and infrastructure improvements, primarily funded with the issuance of bonds and notes.

Additional information on the City's capital assets may be found in the Notes to the Basic Financial Statements of this report.

**Debt outstanding** – At June 30, 2023, the City had total long term debt outstanding (net of premiums) of \$333 million, \$287 million for governmental activities and \$46 million for business-type activities. At June 30, 2023, the City had no short-term debt outstanding. All debt is a general obligation of the City, although water, sewer and stormwater debt service payments are made from the resources of the enterprise funds.

#### City of Newton, Massachusetts General Obligation Bonds and Notes Outstanding – by Purpose

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Education Buildings.....	\$ 227,179,996	\$ 233,103,409	\$ -	\$ -	\$ 227,179,996	\$ 233,103,409
Municipal buildings.....	22,589,100	24,056,100	-	-	22,589,100	24,056,100
Departmental equipment.....	4,215,705	5,000,654	-	-	4,215,705	5,000,654
Other.....	32,773,095	30,416,700	-	-	32,773,095	30,416,700
Water system.....	-	-	28,240,270	24,380,120	28,240,270	24,380,120
Sanitary sewer system.....	-	-	13,880,500	10,398,900	13,880,500	10,398,900
Stormwater system.....	-	-	3,894,100	3,467,800	3,894,100	3,467,800
Total bonds and notes.....	\$ <u>286,757,896</u>	\$ <u>292,576,863</u>	\$ <u>46,014,870</u>	\$ <u>38,246,820</u>	\$ <u>332,772,766</u>	\$ <u>330,823,683</u>

During the year just ended, the City added \$24 million in new bonds and notes and retired \$21 million in existing bonds and notes. General fund interest and principal payments amounted to \$25 million or 5% of fund revenues and other financing sources.

The City's bonds are rated Aaa by Moody's Investor Services Inc.

Additional information on the City's long-term debt can be found in the Notes to the Basic Financial Statements of this report. In addition, debt trend information is available in the Statistical Section of this report.

## **Economic Factors and Next Year's Budget and Rates**

- According to the U.S. Census Bureau, the most recent median household income for the City was \$164,607. This compares favorably with the Massachusetts median household income of \$89,026, and the U.S. median household income of \$69,021.
- According to Homefacts.com, the unemployment rate for the City as of June 30, 2023 was 2.6%, which compared favorably with the statewide unemployment rate of 3.5% and the national unemployment rate of 3.7%.
- The City of Newton's fiscal year 2024 general fund original operating budget amounts to \$500 million.

## **Request for Information**

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Comptroller, City of Newton, 1000 Commonwealth Avenue, Newton, Massachusetts 02459 or [scurley@newtonma.gov](mailto:scurley@newtonma.gov).

# **Basic Financial Statements**

CITY OF NEWTON  
STATEMENT OF NET POSITION  
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents.....	\$ 63,938,030	\$ 47,060,999	\$ 110,999,029	\$ 2,301,076
Restricted Cash and Cash Equivalents.....	116,673,911	36,250,058	152,923,969	7
Investments.....	82,188,556	-	82,188,556	806,743
Restricted Investments.....	19,344,140	-	19,344,140	-
Interest and Dividends.....	187,950	-	187,950	425,855
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes.....	5,301,945	-	5,301,945	-
Tax and utility liens.....	8,582,792	324,506	8,907,298	-
Motor Vehicle and Other Excise Taxes.....	1,107,304	-	1,107,304	-
Community Preservation Surcharges.....	49,535	-	49,535	-
User Charges.....	-	18,271,955	18,271,955	-
Departmental and Other.....	937,980	-	937,980	8,229
Intergovernmental.....	4,717,331	-	4,717,331	-
Special Assessments.....	-	38,214	38,214	-
Leases.....	634,999	-	634,999	-
Loans.....	-	-	-	26,326
Other Assets.....	30,000	-	30,000	-
Due from Fiduciary Funds.....	12	-	12	-
Working Capital Deposit.....	752,093	-	752,093	-
Total Current Assets.....	<u>304,446,578</u>	<u>101,945,732</u>	<u>406,392,310</u>	<u>3,568,236</u>
Noncurrent Assets:				
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate Tax Deferrals.....	3,447,568	-	3,447,568	-
Departmental and Other.....	1,597,727	-	1,597,727	-
Intergovernmental.....	839,065	-	839,065	-
Special Assessments.....	268,878	147,870	416,748	-
Leases.....	3,124,377	-	3,124,377	-
Loans.....	-	-	-	2,979,817
Capital assets:				
Nondepreciable.....	88,002,626	6,794,499	94,797,125	-
Depreciable, net of accumulated depreciation.....	<u>536,456,070</u>	<u>143,937,156</u>	<u>680,393,226</u>	<u>1,518,226</u>
Total Noncurrent Assets.....	<u>633,736,311</u>	<u>150,879,525</u>	<u>784,615,836</u>	<u>4,498,043</u>
Total Assets.....	<u>938,182,889</u>	<u>252,825,257</u>	<u>1,191,008,146</u>	<u>8,066,279</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to OPEB.....	33,996,247	828,807	34,825,054	-
Related to Pension.....	46,698,354	1,526,453	48,224,807	-
Total Deferred Outflows of Resources.....	<u>80,694,601</u>	<u>2,355,260</u>	<u>83,049,861</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Warrants Payable.....	7,132,404	1,918,770	9,051,174	60,000
Accrued Liabilities.....	2,634,379	566,642	3,201,021	-
Accrued Payroll.....	23,183,179	79,661	23,262,840	-
Revenue Refunds Payable.....	4,991,988	-	4,991,988	-
Health Claims Payable.....	6,716,241	-	6,716,241	-
Other Liabilities.....	3,625,643	-	3,625,643	-
Accrued Interest.....	3,585,529	429,038	4,014,567	-
Abandoned Property.....	1,365,097	-	1,365,097	-
Unearned Revenue.....	32,683,536	-	32,683,536	-
Liabilities payable from restricted assets.....	1,205,118	903,501	2,108,619	-
Bonds Payable.....	17,386,386	5,400,169	22,786,555	-
Landfill Closure and Other Environmental Liabilities.....	63,629	-	63,629	-
Compensated Absences.....	5,590,542	36,249	5,626,791	-
Workers' Compensation Claims.....	1,900,000	-	1,900,000	-
Leases.....	445,647	2,860	448,507	-
Total Current Liabilities.....	<u>112,509,318</u>	<u>9,336,890</u>	<u>121,846,208</u>	<u>60,000</u>

**CITY OF NEWTON, MASSACHUSETTS  
STATEMENT OF NET POSITION (Continued)**

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Noncurrent Liabilities:</b>				
Bonds Payable.....	283,104,300	42,828,800	325,933,100	-
Landfill Closure and Other Environmental Liabilities.....	433,163	-	433,163	-
Compensated Absences.....	6,055,486	326,246	6,381,732	-
Net Pension Liability.....	310,645,790	10,154,234	320,800,024	-
Net OPEB Liability.....	659,711,326	16,083,341	675,794,667	-
Workers' Compensation Claims.....	8,841,081	-	8,841,081	-
Leases.....	477,656	3,197	480,853	-
<b>Total Noncurrent Liabilities.....</b>	<b>1,269,268,802</b>	<b>69,395,818</b>	<b>1,338,664,620</b>	<b>-</b>
<b>Total Liabilities.....</b>	<b>1,381,778,120</b>	<b>78,732,708</b>	<b>1,460,510,828</b>	<b>60,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to OPEB.....	169,213,588	4,125,320	173,338,908	-
Related to Pension.....	2,101,231	68,684	2,169,915	-
Lease Related.....	3,747,685	-	3,747,685	-
<b>Total Deferred Inflows of Resources.....</b>	<b>175,062,504</b>	<b>4,194,004</b>	<b>179,256,508</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets.....	345,936,022	137,155,090	483,091,112	1,518,226
Restricted for:				
Community preservation activities.....	16,001,977	-	16,001,977	-
Education activities.....	8,038,615	-	8,038,615	-
Receipts reserved.....	1,454,864	-	1,454,864	-
Community development block grant.....	301,825	-	301,825	-
Municipal state grants.....	1,710,731	-	1,710,731	-
Permanent Funds:				
Expendable.....	2,132,019	-	2,132,019	-
Nonexpendable.....	366,932	-	366,932	-
Other Specific Purposes.....	15,185,210	-	15,185,210	-
Unrestricted.....	(929,091,329)	35,098,715	(893,992,614)	6,488,053
<b>Total Net Position.....</b>	<b>\$ (537,963,134)</b>	<b>\$ 172,253,805</b>	<b>\$ (365,709,329)</b>	<b>\$ 8,006,279</b>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
<b>General Government</b>					
Legislative & executive.....	\$ 4,234,477	\$ 428,212	\$ 10,532,796	\$ -	\$ 6,726,531
Financial administration.....	5,036,967	151,218	327	-	(4,885,422)
Administrative support.....	7,688,398	(4,158)	140,070	-	(7,552,486)
Planning & development.....	11,348,387	1,423,514	4,850,498	-	(5,074,375)
Public building maintenance & operation.....	5,315,507	40,303	48,504	-	(5,226,700)
<b>Public Safety</b>					
Police.....	43,172,636	6,819,488	504,736	-	(35,848,412)
Fire.....	41,890,110	1,592,735	231,627	-	(40,065,748)
Inspectional services.....	2,685,936	12,084,244	-	-	9,398,308
<b>Education</b> .....	344,203,438	9,477,806	83,761,398	78,091	(250,886,143)
<b>Public Works</b>					
Streets & sidewalks.....	15,635,211	3,124,171	231,796	531,972	(11,747,272)
Control of snow & ice.....	3,834,466	-	-	-	(3,834,466)
Sanitation.....	12,556,562	181,742	90,487	-	(12,284,333)
Engineering.....	3,709,733	110,021	-	-	(3,599,712)
<b>Health and Human Services</b>					
Public health & human services.....	12,134,304	615,507	2,302,211	-	(9,216,586)
Senior services.....	1,316,821	13,016	501,281	-	(802,524)
Veteran services.....	265,693	-	58,802	-	(206,891)
<b>Culture and Recreation</b>					
Libraries.....	8,268,098	21,827	178,602	-	(8,067,669)
Parks & recreation.....	12,551,410	4,021,752	1,185,165	-	(7,344,493)
Newton History museum.....	408,731	-	5,388	-	(403,343)
Debt Service-Interest.....	9,017,014	-	-	-	(9,017,014)
Total Governmental Activities.....	<u>545,273,899</u>	<u>40,101,398</u>	<u>104,623,688</u>	<u>610,063</u>	<u>(399,938,750)</u>
<b>Business-Type Activities:</b>					
Water.....	20,802,779	28,787,093	310,219	363,720	8,658,253
Sewer.....	31,285,898	33,922,787	194,693	3,629,755	6,461,337
Stormwater.....	1,988,302	4,278,883	-	-	2,290,581
Total Business-Type Activities.....	<u>54,076,979</u>	<u>66,988,763</u>	<u>504,912</u>	<u>3,993,475</u>	<u>17,410,171</u>
Total Primary Government.....	<u>\$ 599,350,878</u>	<u>\$ 107,090,161</u>	<u>\$ 105,128,600</u>	<u>\$ 4,603,538</u>	<u>\$ (382,528,579)</u>
<b>Component Units:</b>					
Newton Commonwealth Foundation, Inc.....	\$ 288,388	\$ 681,385	\$ 11,766	\$ -	\$ 404,763
Newton Community Development Authority.....	286,882	-	44,058	-	(242,824)
Total Component Units.....	<u>\$ 575,270</u>	<u>\$ 681,385</u>	<u>\$ 55,824</u>	<u>\$ -</u>	<u>\$ 161,939</u>



CITY OF NEWTON, MASSACHUSETTS  
STATEMENT OF ACTIVITIES (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>CHANGES IN NET POSITION</b>				
Net (Expense) Revenue (From Previous Page).....	\$ (399,938,750)	\$ 17,410,171	\$ (382,528,579)	\$ 161,939
General Revenues:				
Real estate and personal property taxes, levied for general purposes.....	413,912,744	-	413,912,744	-
Real estate and personal property taxes, levied for community preservation purposes.....	4,018,273	-	4,018,273	-
Motor Vehicle and Other Excise Taxes.....	14,573,965	-	14,573,965	-
Hotel Room Occupancy Taxes.....	1,979,180	-	1,979,180	-
Meals Taxes.....	2,387,099	-	2,387,099	-
Cannabis State Taxes.....	648,681	-	648,681	-
Penalties and Interest on Taxes.....	1,383,623	-	1,383,623	-
Payments in Lieu of Taxes.....	242,126	-	242,126	-
Grants and Contributions not Restricted to Specific Programs.....	8,392,099	-	8,392,099	-
Unrestricted Investment Income.....	10,144,691	-	10,144,691	-
Other.....	3,274,546	-	3,274,546	-
Transfers, Net.....	4,634,823	(4,634,823)	-	-
Total General Revenues and Transfers.....	465,591,850	(4,634,823)	460,957,027	-
<b>CHANGE IN NET POSITION</b>	65,653,100	12,775,348	78,428,448	161,939
Net Position - Beginning of Year.....	(603,616,234)	159,478,457	(444,137,777)	7,844,340
<b>NET POSITION - END OF YEAR.....</b>	<b>\$ (537,963,134)</b>	<b>\$ 172,253,805</b>	<b>\$ (365,709,329)</b>	<b>\$ 8,006,279</b>

CITY OF NEWTON, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2023

ASSETS	General	Community Preservation	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 59,772,163	\$ -	\$ -	\$ 4,165,867	\$ 63,938,030
Investments.....	82,188,556	-	-	-	82,188,556
Interests and Dividends.....	168,266	-	-	398	168,664
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes.....	5,301,945	-	-	-	5,301,945
Real Estate Tax Deferrals.....	3,447,568	-	-	-	3,447,568
Tax Liens.....	8,582,792	-	-	-	8,582,792
Motor Vehicle and Other Excise Taxes.....	1,107,304	-	-	-	1,107,304
Community Preservation Surcharges.....	-	49,535	-	-	49,535
Departmental and Other.....	1,747,740	-	-	751,071	2,498,811
Intergovernmental.....	363,062	-	-	5,193,334	5,556,396
Special Assessments.....	66,867	-	-	202,011	268,878
Leases.....	3,759,376	-	-	-	3,759,376
Due from Other Funds.....	6,942,205	-	-	-	6,942,205
Other Assets.....	-	-	-	30,000	30,000
Restricted Assets:					
Cash and Cash Equivalents.....	1,935,535	16,294,054	32,977,717	49,131,712	100,339,018
Investments.....	-	-	-	1,939,619	1,939,619
<b>Total Assets.....</b>	<b>\$ 175,383,379</b>	<b>\$ 16,343,589</b>	<b>\$ 32,977,717</b>	<b>\$ 61,414,012</b>	<b>\$ 286,118,697</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Warrants Payable.....	\$ 5,515,588	\$ 47,400	\$ 204,841	\$ 1,076,971	\$ 6,844,800
Accrued Liabilities.....	1,565,242	268,451	89,340	669,446	2,592,479
Accrued Payroll.....	22,597,874	1,583	-	522,449	23,121,906
Revenue Refunds Payable.....	4,991,988	-	-	-	4,991,988
Other Liabilities.....	-	24,178	-	988,408	1,012,586
Abandoned Property.....	1,365,097	-	-	-	1,365,097
Liabilities Due Depositors.....	1,205,118	-	-	-	1,205,118
Due to Other Funds.....	-	-	-	6,501,171	6,501,171
Unearned Revenue.....	-	-	32,683,536	-	32,683,536
<b>Total Liabilities.....</b>	<b>37,240,907</b>	<b>341,612</b>	<b>32,977,717</b>	<b>9,758,445</b>	<b>80,318,681</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue.....	18,315,733	32,651	-	149,168	18,497,552
Related to Leases.....	3,747,685	-	-	-	3,747,685
<b>Total Deferred Inflows of Resources.....</b>	<b>22,063,418</b>	<b>32,651</b>	<b>-</b>	<b>149,168</b>	<b>22,245,237</b>
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	366,932	366,932
Restricted.....	1,935,535	15,969,326	-	48,712,591	66,617,452
Committed.....	20,131,718	-	-	4,165,867	24,297,585
Assigned.....	12,119,775	-	-	-	12,119,775
Unassigned.....	81,892,026	-	-	(1,738,991)	80,153,035
<b>Total Fund Balances.....</b>	<b>116,079,054</b>	<b>15,969,326</b>	<b>-</b>	<b>51,506,399</b>	<b>183,554,779</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 175,383,379</b>	<b>\$ 16,343,589</b>	<b>\$ 32,977,717</b>	<b>\$ 61,414,012</b>	<b>\$ 286,118,697</b>

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

June 30, 2023

Total Governmental Fund Balances .....	\$	183,554,779
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....		624,458,696
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....		18,497,552
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.....		(3,585,529)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and Notes Payable.....		(300,490,686)
Leases.....		(923,303)
Landfill Post-Closure.....		(496,792)
Compensated Absences.....		(11,646,028)
Net OPEB Obligation.....		(659,711,326)
Net Pension Liability.....		(310,645,790)
In the statement of net position, deferred outflows of resources are reported for amounts related to pensions.....		46,698,354
In the statement of net position, deferred inflows of resources are reported for amounts related to pensions.....		(2,101,231)
In the statement of net position, deferred outflows of resources are reported for amounts related to OPEB.....		33,996,247
In the statement of net position, deferred inflows of resources are reported for amounts related to OPEB.....		(169,213,588)
Internal service funds are used by management to account for health insurance workers' compensation, building insurance and liability insurance activities. The assets and liabilities of the internal service funds are reported as governmental activities in the statement of net position.....		<u>13,645,511</u>
Net Position of Governmental Activities.....	\$	<u><u>(537,963,134)</u></u>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Community Preservation	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Real Estate and Personal Property Taxes.....	\$ 411,266,171	\$ -	\$ -	\$ -	\$ 411,266,171
Motor Vehicle and Other Excise Taxes.....	14,225,562	-	-	-	14,225,562
Hotel/Motel Tax.....	1,979,180	-	-	-	1,979,180
Meals Taxes.....	2,387,099	-	-	-	2,387,099
Cannabis State Tax.....	648,681	-	-	-	648,681
Payments in Lieu of Taxes.....	242,126	-	-	-	242,126
Community Preservation Surcharges.....	-	3,997,569	-	-	3,997,569
Charges for Services.....	4,466,071	-	-	19,951,680	24,417,751
Intergovernmental.....	71,767,005	1,475,479	10,336,243	27,802,153	111,380,880
Special Assessments.....	32,156	-	-	200,019	232,175
Penalties and Interest on Taxes.....	1,383,623	-	-	-	1,383,623
Licenses and Permits.....	13,410,380	-	-	1,567,071	14,977,451
Fines and Forfeitures.....	1,193,338	-	-	77,032	1,270,370
Contributions.....	-	-	-	1,572,995	1,572,995
Investment Income (loss).....	9,744,229	382,553	-	274,688	10,401,470
Other.....	1,128,607	-	-	464,689	1,593,296
<b>Total Revenues.....</b>	<b>533,874,228</b>	<b>5,855,601</b>	<b>10,336,243</b>	<b>51,910,327</b>	<b>601,976,399</b>
<b>EXPENDITURES</b>					
Current:					
General Government					
Legislative & Executive.....	3,515,272	-	1,523	35,322	3,552,117
Financial Administration.....	3,944,613	-	-	-	3,944,613
Administrative Support.....	5,689,435	-	-	15,485	5,704,920
Planning & Development.....	2,470,485	2,820,442	326,141	4,808,824	10,425,892
Public Building Maintenance & Operations.....	6,358,710	-	4,190,144	5,693,674	16,242,528
Public Safety					
Police.....	27,167,965	-	-	5,888,918	33,056,883
Fire.....	29,165,603	-	-	1,968,654	31,134,257
Inspectional Services.....	2,541,872	-	-	2,378	2,544,250
Education.....	296,948,559	-	410,000	33,622,421	330,980,980
Public Works					
Streets & Sidewalks.....	9,305,215	-	628,954	3,496,363	13,430,532
Control of Snow & Ice.....	3,531,466	-	-	-	3,531,466
Sanitation.....	12,079,076	-	-	38,214	12,117,290
Vehicle Maintenance.....	2,610,118	-	-	-	2,610,118
Engineering.....	2,929,444	-	248,049	115,181	3,292,674
Administration & Support.....	1,462,335	-	-	-	1,462,335
Health and Human Services					
Health and Human Services.....	4,902,092	-	-	192,868	5,094,960
Senior Services.....	856,747	-	-	353,511	1,210,258
Veteran Services.....	191,429	-	-	10,081	201,510
Culture and Recreation					
Libraries.....	5,785,548	-	-	775,612	6,561,160
Parks & Recreation.....	8,067,686	118,000	1,513,402	2,878,188	12,577,276
Newton History Museum.....	297,311	9,207	18,030	561	325,109
Retirement Benefits.....	51,710,352	-	-	-	51,710,352
Worker's Compensation Insurance.....	1,200,000	-	-	-	1,200,000
Property and Liability Insurance.....	708,939	-	-	-	708,939
Claims and Judgments.....	657,591	-	-	-	657,591
State and County Charges.....	6,542,353	-	-	-	6,542,353
Debt Service:					
Principal.....	15,149,667	290,000	-	-	15,439,667
Interest.....	9,786,419	404,353	-	-	10,190,772
<b>Total Expenditures.....</b>	<b>515,576,302</b>	<b>3,642,002</b>	<b>7,336,243</b>	<b>59,896,255</b>	<b>586,450,802</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>18,297,926</b>	<b>2,213,599</b>	<b>3,000,000</b>	<b>(7,985,928)</b>	<b>15,525,597</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of Bonds and Notes.....	-	-	-	9,620,700	9,620,700
Premium from Issuance of Bonds and Notes.....	-	-	-	912,437	912,437
Transfers In.....	8,755,705	-	-	16,724,869	25,480,574
Transfers Out.....	(14,726,813)	(1,948,056)	(3,000,000)	(1,170,882)	(20,845,751)
<b>Total Other Financing Sources (Uses).....</b>	<b>(5,971,108)</b>	<b>(1,948,056)</b>	<b>(3,000,000)</b>	<b>26,087,124</b>	<b>15,167,960</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>12,326,818</b>	<b>265,543</b>	<b>-</b>	<b>18,101,196</b>	<b>30,693,557</b>
Fund Balances - Beginning of Year.....	103,752,236	15,703,783	-	33,405,203	152,861,222
<b>FUND BALANCES - END OF YEAR.....</b>	<b>\$ 116,079,054</b>	<b>\$ 15,969,326</b>	<b>\$ -</b>	<b>\$ 51,506,399</b>	<b>\$ 183,554,779</b>

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds.....	\$	30,693,557
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.</p>		
Capital Outlays.....		30,383,523
Depreciation.....		(25,937,185)
<p>In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.....</p>		
		(9,942)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.....</p>		
		4,315,784
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>		
Proceeds of Bonds.....		(9,620,700)
Bond Maturities.....		15,439,667
Bond Premiums.....		(912,437)
Net Amortization of Bond Premiums.....		1,416,630
Lease Maturities.....		178,357
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable.....</p>		
		(242,872)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>		
Landfill closure and other environmental liabilities.....		(138,558)
Compensated Absences.....		(673,853)
Net OPEB Liability.....		(8,635,069)
Net Pension Liability.....		(74,006,050)
<p>In the statement of activities, deferred outflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows related to pensions.....</p>		
		25,449,223
<p>In the statement of activities, deferred inflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred inflows related to pensions.....</p>		
		54,723,176
<p>In the statement of activities, deferred outflows related to OPEB are amortized and recognized as pension expense. This amount represents the net change in deferred outflows related to OPEB.....</p>		
		(31,697,523)
<p>In the statement of activities, deferred inflows related to OPEB are amortized and recognized as pension expense. This amount represents the net change in deferred inflows related to OPEB.....</p>		
		57,173,873
<p>Internal service funds are used by management to account for health insurance, worker's compensation building insurance and liability insurance activities. The net activity of the internal service funds is reported with governmental activities.....</p>		
		(2,246,501)
Changes in Net Position of Governmental Activities.....	\$	<u>65,653,100</u>

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget Positive/ (Negative)
<b>REVENUES</b>				
Real estate and personal property taxes.....	\$ 403,390,395	402,807,686	\$ 406,705,369	\$ 3,897,683
Motor vehicle excise taxes.....	13,300,000	13,300,000	13,818,473	518,473
Hotel room occupancy taxes.....	1,000,000	1,000,000	1,979,180	979,180
Meals tax.....	1,800,000	1,800,000	2,387,099	587,099
Cannabis state tax.....	500,000	500,000	648,681	148,681
Penalties and interest on taxes.....	1,355,000	1,355,000	1,383,623	28,623
Licenses and permits.....	8,766,625	8,766,625	13,410,380	4,643,755
Intergovernmental.....	34,197,523	34,646,312	35,669,832	1,023,520
Charges for services.....	3,933,335	3,933,335	4,470,229	536,894
Fines and forfeitures.....	1,055,000	1,055,000	1,193,338	138,338
Investment income.....	450,000	689,482	9,068,079	8,378,597
Payments in lieu of taxes.....	310,000	310,000	242,126	(67,874)
Miscellaneous.....	25,000	25,000	1,002,094	977,094
Special assessments.....	37,000	37,000	32,156	(4,844)
<b>TOTAL REVENUES.....</b>	<b>470,119,878</b>	<b>470,225,440</b>	<b>492,010,659</b>	<b>21,785,219</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative & executive.....	4,057,312	4,496,827	3,515,273	981,554
Financial administration.....	5,809,745	5,844,066	3,944,614	1,899,452
Administrative support.....	6,357,351	6,371,480	5,689,435	682,045
Planning & development.....	3,689,819	3,914,093	2,470,486	1,443,607
Public building maintenance & operations.....	6,889,786	6,865,650	6,358,710	506,940
Interest on property tax refunds.....	5,513,236	5,513,236	-	5,513,236
Public safety:				
Police.....	25,380,947	28,724,928	27,167,967	1,556,961
Fire.....	28,803,446	30,807,446	29,165,602	1,641,844
Inspectional services.....	2,933,300	3,129,346	2,541,871	587,475
Education.....	260,681,206	262,191,027	259,977,528	2,213,499
Public works:				
Streets & sidewalks.....	14,517,244	13,432,040	9,305,215	4,126,825
Control of snow & ice.....	3,438,590	3,727,822	3,531,466	196,356
Sanitation.....	12,233,329	12,157,049	12,079,076	77,973
Vehicle maintenance.....	4,071,498	3,557,417	2,610,118	947,299
Engineering.....	3,097,277	3,104,218	2,929,444	174,774
Administration & support.....	5,073,039	6,276,143	1,462,335	4,813,808
Health and human services:				
Health & human services.....	5,584,885	5,554,553	4,902,092	652,461
Senior services.....	870,529	863,082	856,747	6,335
Veteran services.....	238,769	238,769	191,429	47,340
Culture and recreation:				
Libraries.....	6,154,449	6,150,813	5,785,548	365,265
Parks & recreation.....	9,300,256	12,786,976	8,067,685	4,719,291
Newton History museum.....	319,954	319,954	297,311	22,643
Retirement benefits.....	52,020,527	51,728,407	51,710,352	18,055
Workers' compensation insurance.....	1,200,000	1,200,000	1,200,000	-
Property and liability insurance.....	733,588	733,588	708,939	24,649
Claims and judgments.....	144,080	724,080	657,591	66,489
Reserve fund.....	4,702,798	1,742,798	-	1,742,798
State assessments & charges.....	6,600,451	6,706,013	6,542,353	163,660
Debt service:				
Principal.....	15,149,667	15,149,667	15,149,667	-
Interest.....	9,786,402	9,786,402	9,786,419	(17)
<b>TOTAL EXPENDITURES.....</b>	<b>505,353,480</b>	<b>513,797,890</b>	<b>478,605,273</b>	<b>35,192,617</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(35,233,602)</b>	<b>(43,572,450)</b>	<b>13,405,386</b>	<b>56,977,836</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in.....	8,266,823	8,755,705	8,755,705	-
Transfers out.....	(1,285,000)	(15,402,379)	(15,402,379)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>6,981,823</b>	<b>(6,646,674)</b>	<b>(6,646,674)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(28,251,779)</b>	<b>(50,219,124)</b>	<b>6,758,712</b>	<b>56,977,836</b>
<b>FUND BALANCE AT BEGINNING OF YEAR.....</b>	<b>88,704,547</b>	<b>88,704,547</b>	<b>88,704,547</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR.....</b>	<b>\$ 60,452,768</b>	<b>\$ 38,485,423</b>	<b>\$ 95,463,259</b>	<b>\$ 56,977,836</b>

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS**  
**COMMUNITY PRESERVATION FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget Positive/ (Negative)
<b>REVENUES</b>				
Community preservation surcharges.....	\$ 3,922,024	\$ 3,922,024	\$ 3,984,706	\$ 62,682
Intergovernmental .....	1,643,851	1,643,851	1,475,479	(168,372)
Investment income.....	-	-	382,553	382,553
<b>TOTAL REVENUES.....</b>	<b>5,565,875</b>	<b>5,565,875</b>	<b>5,842,738</b>	<b>276,863</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Planning & development.....	9,848,364	9,923,364	3,046,129	6,877,235
Culture and recreation:				
Parks & recreation.....	15,420,649	15,420,649	70,600	15,350,049
Newton History museum.....	80,243	80,243	9,207	71,036
Reserve fund.....	5,248,735	2,182,591	-	2,182,591
Debt service:				
Principal.....	137,765	290,000	290,000	-
Interest.....	-	404,353	404,353	-
<b>TOTAL EXPENDITURES.....</b>	<b>30,735,756</b>	<b>28,301,200</b>	<b>3,820,289</b>	<b>24,480,911</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(25,169,881)	(22,735,325)	2,022,449	24,757,774
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out.....	-	(1,948,056)	(1,948,056)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(1,948,056)</b>	<b>(1,948,056)</b>	<b>-</b>
NET CHANGE IN FUND BALANCE.....	(25,169,881)	(24,683,381)	74,393	24,757,774
FUND BALANCE AT BEGINNING OF YEAR.....	15,883,894	15,883,894	15,883,894	-
FUND BALANCE AT END OF YEAR.....	\$ (9,285,987)	\$ (8,799,487)	\$ 15,958,287	\$ 24,757,774

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF FUND NET POSITION  
 JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents.....	\$ 20,046,170	\$ 20,757,728	\$ 6,257,101	\$ 47,060,999	\$ -
Restricted Cash and Cash Equivalents.....	22,470,179	12,289,326	1,490,553	36,250,058	16,334,893
Restricted Investments.....	-	-	-	-	17,404,521
Interest and Dividends.....	-	-	-	-	19,286
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges.....	9,852,695	7,336,630	1,082,630	18,271,955	-
Utility Liens.....	175,565	121,710	27,231	324,506	-
Special Assessments.....	-	38,214	-	38,214	-
Departmental and Other.....	-	-	-	-	36,896
Working Capital Deposit.....	-	-	-	-	752,093
<b>Total Current Assets.....</b>	<b>52,544,609</b>	<b>40,543,608</b>	<b>8,857,515</b>	<b>101,945,732</b>	<b>34,547,689</b>
Noncurrent Assets:					
Receivables, Net of Allowance for Uncollectible Amounts:					
Special Assessments.....	15,951	131,919	-	147,870	-
Capital Assets					
Nondepreciable.....	3,068,555	2,946,689	779,255	6,794,499	-
Depreciable, Net of Accumulated Depreciation.....	68,686,029	68,657,106	6,594,021	143,937,156	-
<b>Total Noncurrent Assets.....</b>	<b>71,770,535</b>	<b>71,735,714</b>	<b>7,373,276</b>	<b>150,879,525</b>	<b>-</b>
<b>Total Assets.....</b>	<b>124,315,144</b>	<b>112,279,322</b>	<b>16,230,791</b>	<b>252,825,257</b>	<b>34,547,689</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to OPEB.....	365,418	448,764	14,625	828,807	-
Related to Pension.....	720,271	648,919	157,263	1,526,453	-
<b>Total Deferred Outflows of Resources.....</b>	<b>1,085,689</b>	<b>1,097,683</b>	<b>171,888</b>	<b>2,355,260</b>	<b>-</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Warrants Payable.....	1,490,008	383,566	45,196	1,918,770	287,604
Accrued Liabilities.....	399,415	164,818	2,409	566,642	41,900
Accrued Payroll.....	34,947	34,487	10,227	79,661	61,273
Other Liabilities.....	-	-	-	-	2,613,057
Liabilities Payable from Restricted Assets.....	-	903,501	-	903,501	-
Due to Other Funds.....	-	-	-	-	441,022
Accrued Interest.....	102,188	264,473	62,377	429,038	-
Accrued Health Claims Payable.....	-	-	-	-	6,716,241
Leases.....	2,860	-	-	2,860	-
Workers' Compensation Claims.....	-	-	-	-	1,900,000
Compensated Absences.....	10,250	14,745	11,254	36,249	-
Long-Term Bonds and Notes Payable.....	1,669,328	3,346,217	384,624	5,400,169	-
<b>Total Current Liabilities.....</b>	<b>3,708,996</b>	<b>5,111,807</b>	<b>516,087</b>	<b>9,336,890</b>	<b>12,061,097</b>
Noncurrent Liabilities:					
Leases.....	3,197	-	-	3,197	-
Workers' Compensation Claims.....	-	-	-	-	8,841,081
Compensated Absences.....	92,250	132,706	101,290	326,246	-
Net Pension Liability.....	4,791,371	4,316,722	1,046,141	10,154,234	-
Net OPEB Obligation.....	7,091,085	8,708,451	283,805	16,083,341	-
Long-Term Bonds and Notes Payable.....	12,730,168	26,222,955	3,875,677	42,828,800	-
<b>Total Noncurrent Liabilities.....</b>	<b>24,708,071</b>	<b>39,380,834</b>	<b>5,306,913</b>	<b>69,395,818</b>	<b>8,841,081</b>
<b>Total Liabilities.....</b>	<b>28,417,067</b>	<b>44,492,641</b>	<b>5,823,000</b>	<b>78,732,708</b>	<b>20,902,178</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB.....	1,818,838	2,233,687	72,795	4,125,320	-
Related to Pension.....	32,409	29,199	7,076	68,684	-
<b>Total Deferred Outflows of Resources.....</b>	<b>1,851,247</b>	<b>2,262,886</b>	<b>79,871</b>	<b>4,194,004</b>	<b>-</b>
<b>FUND NET POSITION</b>					
Net Investment in Capital Assets.....	78,417,496	54,134,065	4,603,529	137,155,090	-
Unrestricted.....	16,715,023	12,487,413	5,896,279	35,098,715	13,645,511
<b>Total Net Position.....</b>	<b>\$ 95,132,519</b>	<b>\$ 66,621,478</b>	<b>\$ 10,499,808</b>	<b>\$ 172,253,805</b>	<b>\$ 13,645,511</b>

See notes to basic financial statements.



CITY OF NEWTON, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
<b>OPERATING REVENUES</b>					
Charges for Services.....	\$ 33,904,842	\$ 28,787,093	\$ 4,278,883	\$ 66,970,818	\$ -
Special Assessments.....	17,945	-	-	17,945	-
Employer Contributions.....	-	-	-	-	61,416,329
Plan Member Contributions.....	-	-	-	-	15,315,458
<b>Total Operating Revenues.....</b>	<b>33,922,787</b>	<b>28,787,093</b>	<b>4,278,883</b>	<b>66,988,763</b>	<b>76,731,787</b>
<b>OPERATING EXPENSES</b>					
Salaries, Wages and Employee Benefits.....	3,547,658	2,172,461	871,908	6,592,027	-
Other Operating Expense.....	2,176,751	868,266	707,489	3,752,506	6,668,166
MWRA Assessment.....	22,803,614	14,157,661	-	36,961,275	-
Worker's Compensation.....	250,000	250,000	100,000	600,000	-
Self Insurance Claims.....	-	-	-	-	74,755,155
Depreciation.....	2,140,646	2,572,063	199,354	4,912,063	-
<b>Total Operating Expenses.....</b>	<b>30,918,669</b>	<b>20,020,451</b>	<b>1,878,751</b>	<b>52,817,871</b>	<b>81,423,321</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>3,004,118</b>	<b>8,766,642</b>	<b>2,400,132</b>	<b>14,170,892</b>	<b>(4,691,534)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental .....	3,449,693	310,219	-	3,759,912	-
Investment Income.....	374,755	363,720	-	738,475	2,445,033
Interest Expense.....	(367,229)	(782,328)	(109,551)	(1,259,108)	-
<b>Total Nonoperating Revenues (Expenses), Net.....</b>	<b>3,457,219</b>	<b>(108,389)</b>	<b>(109,551)</b>	<b>3,239,279</b>	<b>2,445,033</b>
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	<b>6,461,337</b>	<b>8,658,253</b>	<b>2,290,581</b>	<b>17,410,171</b>	<b>(2,246,501)</b>
<b>TRANSFERS</b>					
Transfers In.....	1,159,930	-	-	1,159,930	-
Transfers Out.....	(2,070,078)	(2,916,001)	(808,674)	(5,794,753)	-
<b>Total Transfers.....</b>	<b>(910,148)</b>	<b>(2,916,001)</b>	<b>(808,674)</b>	<b>(4,634,823)</b>	<b>-</b>
<b>CHANGE IN FUND NET POSITION.....</b>	<b>5,551,189</b>	<b>5,742,252</b>	<b>1,481,907</b>	<b>12,775,348</b>	<b>(2,246,501)</b>
Fund Net Position - Beginning of Year.....	89,581,330	60,879,226	9,017,901	159,478,457	15,892,012
<b>FUND NET POSITION - END OF YEAR.....</b>	<b>\$ 95,132,519</b>	<b>\$ 66,621,478</b>	<b>\$ 10,499,808</b>	<b>\$ 172,253,805</b>	<b>\$ 13,645,511</b>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users.....	\$ 33,332,064	\$ 28,016,154	\$ 4,272,811	\$ 65,621,029	\$ 15,315,458
Receipts from Interfund Services Provided.....	-	-	-	-	61,379,433
Payments to Vendors/Providers.....	(24,586,285)	(17,677,778)	(984,666)	(43,248,729)	(79,375,272)
Payments to Employees.....	(1,856,589)	(1,543,211)	(652,855)	(4,052,655)	-
Net Cash Provided (Used) by Operating Activities.....	<u>6,889,190</u>	<u>8,795,165</u>	<u>2,635,290</u>	<u>18,319,645</u>	<u>(2,680,381)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In.....	1,159,930	-	-	1,159,930	-
Transfers Out.....	(2,070,078)	(2,916,001)	(808,674)	(5,794,753)	-
Net Cash Provided (Used) by Noncapital Financing Activities.....	<u>(910,148)</u>	<u>(2,916,001)</u>	<u>(808,674)</u>	<u>(4,634,823)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the Issuance of Bonds and Notes.....	4,739,000	6,472,700	681,300	11,893,000	-
Premium from the Issuance of Bonds and Notes.....	473,000	611,000	93,305	1,177,305	-
Intergovernmental Revenues.....	3,255,000	-	-	3,255,000	-
Advances from Other Funds.....	-	-	-	-	441,022
Acquisition and Construction of Capital Assets.....	(7,355,007)	(6,159,114)	(766,301)	(14,280,422)	-
Principal Payments on Bonds and Notes.....	(1,257,400)	(2,612,550)	(255,000)	(4,124,950)	-
Interest Expense.....	(123,324)	(513,062)	(146,487)	(782,873)	-
Leases.....	(4,966)	-	-	(4,966)	-
Net Cash Used by Capital and Related Financing Activities.....	<u>(273,697)</u>	<u>(2,201,026)</u>	<u>(393,183)</u>	<u>(2,867,906)</u>	<u>441,022</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Investments.....	-	-	-	-	(6,517,355)
Sale of Investments.....	-	-	-	-	4,402,820
Investment Income.....	374,755	363,720	-	738,475	2,443,437
Net Cash Provided by Investing Activities.....	<u>374,755</u>	<u>363,720</u>	<u>-</u>	<u>738,475</u>	<u>328,902</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>6,080,100</b>	<b>4,041,858</b>	<b>1,433,433</b>	<b>11,555,391</b>	<b>(1,910,457)</b>
Cash and Cash Equivalents - Beginning of Year (Includes \$19,034,980, \$11,982,188 and \$1,456,099 Reported as Restricted in the Sewer, Water, and Stormwater Enterprise Funds, Respectively).....	36,436,249	29,005,196	6,314,221	71,755,666	18,245,350
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Includes \$22,470,179, \$12,289,326, and \$1,490,553 Reported as Restricted in the Sewer, Water, and Stormwater Enterprise Funds, Respectively).....	<u>\$ 42,516,349</u>	<u>\$ 33,047,054</u>	<u>\$ 7,747,654</u>	<u>\$ 83,311,057</u>	<u>\$ 16,334,893</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss).....	\$ 3,004,118	\$ 8,766,642	\$ 2,400,132	\$ 14,170,892	\$ (4,691,534)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation.....	2,140,646	2,572,063	199,354	4,912,063	-
Net Pension Liability.....	2,017,584	353,343	244,951	2,615,878	-
Deferred Outflows Related to Pension.....	(471,198)	(293,026)	(85,320)	(849,544)	-
Deferred Inflows Related to Pension.....	(633,662)	(922,529)	(185,314)	(1,741,505)	-
Net OPEB Liability.....	11,926	96,706	52,429	161,061	-
Deferred Outflows Related to OPEB.....	348,871	420,163	8,721	777,755	-
Deferred Inflows Related to OPEB.....	(642,675)	(760,726)	(7,657)	(1,411,058)	-
Effect of Changes in Operating Assets and Liabilities:					
Utility Liens.....	(32,634)	(17,433)	(5,822)	(55,889)	-
User Charges.....	(544,210)	(807,665)	(250)	(1,352,125)	-
Special Assessments.....	(15,951)	54,159	-	38,208	-
Departmental and Other.....	-	-	-	-	(36,896)
Intergovernmental.....	2,072	-	-	2,072	-
Prepaid Expenses.....	-	-	-	-	346,883
Working Capital Deposit.....	-	-	-	-	(1,638)
Warrants Payable.....	1,375,601	(338,575)	1,514	1,038,540	215,716
Accrued Liabilities.....	310,199	(574,183)	2,239	(261,745)	(27,928)
Accrued Payroll.....	6,451	15,699	(685)	21,465	35,353
Other Liabilities.....	-	-	-	-	(156,793)
Liabilities payable from restricted assets.....	-	194,612	-	194,612	-
Accrued Health Claims Payable.....	-	-	-	-	1,748,634
Workers' Compensation Claims.....	-	-	-	-	(112,178)
Compensated Absences.....	12,052	35,915	10,998	58,965	-
Total Adjustments.....	<u>3,885,072</u>	<u>28,523</u>	<u>235,158</u>	<u>4,148,753</u>	<u>2,011,153</u>
Net Cash Provided by Operating Activities.....	<u>\$ 6,889,190</u>	<u>\$ 8,795,165</u>	<u>\$ 2,635,290</u>	<u>\$ 18,319,645</u>	<u>\$ (2,680,381)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Intergovernmental Debt Subsidies (MCWT).....	\$ 196,765	\$ 310,219	\$ -	\$ 506,984	\$ -
Capital-Related Accounts Payable.....	1,401,714	189,884	-	1,591,598	-

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2023\*

<b>ASSETS</b>	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Cash and Cash Equivalents.....	\$ 29,689,513	\$ 1,825,352	\$ 1,743,291
Investments:			
Fixed Income .....	-	3,623,587	-
Equities.....	-	7,206,961	-
External Investment Pool.....	475,035,480	-	-
Interest and Dividends.....	-	9,084	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Intergovernmental.....	20,717	-	-
Prepaid Expenses.....	6,863	-	-
	<u>504,752,573</u>	<u>12,664,984</u>	<u>1,743,291</u>
Total Assets.....			
<b>LIABILITIES</b>			
Warrants Payable.....	8,366	1,574	-
Other Liabilities.....	-	-	1,743,291
Due to Other Funds.....	-	12	-
	<u>8,366</u>	<u>1,586</u>	<u>1,743,291</u>
Total Liabilities.....			
<b>NET POSITION</b>			
Restricted for Pensions, Other Post Employment Benefits and Other Purposes.....	<u>\$ 504,744,207</u>	<u>\$ 12,663,398</u>	<u>\$ -</u>

\* Except for the Pension Trust Fund (December 31, 2022)

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023\*

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>			
Contributions:			
Employer.....	\$ 69,644,836	\$ -	\$ -
Plan Members.....	11,085,517	-	-
Private Donations.....	-	149,316	-
Total Contributions.....	<u>80,730,353</u>	<u>149,316</u>	<u>-</u>
Net Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	(65,325,247)	1,082,416	-
Interest and Dividends.....	12,450,188	-	-
Total Investment Income.....	<u>(52,875,059)</u>	<u>1,082,416</u>	<u>-</u>
Less: Investment Expense.....	<u>(2,328,216)</u>	<u>-</u>	<u>-</u>
Net Investment Income.....	<u>(55,203,275)</u>	<u>1,082,416</u>	<u>-</u>
Other.....	<u>4,255,902</u>	<u>-</u>	<u>420,268</u>
Total Additions.....	<u>29,782,980</u>	<u>1,231,732</u>	<u>420,268</u>
<b>DEDUCTIONS</b>			
Administration.....	442,922	479	-
Retirement Benefits and Refunds.....	72,042,981	-	-
Transfers to Other Systems.....	4,255,902	-	-
Scholarships Awarded.....	-	694,454	-
Other.....	-	-	420,268
Total Deductions.....	<u>76,741,805</u>	<u>694,933</u>	<u>420,268</u>
<b>CHANGE IN NET POSITION.....</b>	<b>(46,958,825)</b>	<b>536,799</b>	<b>-</b>
Net Position - Beginning of Year.....	<u>551,703,032</u>	<u>12,126,599</u>	<u>-</u>
<b>NET POSITION - END OF YEAR.....</b>	<b>\$ <u>504,744,207</u></b>	<b>\$ <u>12,663,398</u></b>	<b>\$ <u>-</u></b>

\* Except for the Pension Trust Fund (for the fiscal year ended December 31, 2022)

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS  
COMPONENT UNITS  
COMBINING STATEMENT OF FUND NET POSITION**

June 30, 2023

	Component Units		
	Newton Commonwealth Foundation, Inc. (As of 12/31/22)	Newton Community Development Authority	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents.....	\$ 2,301,076	\$ -	\$ 2,301,076
Restricted cash and cash equivalents.....	-	7	7
Investments.....	806,743	-	806,743
Interest and dividends.....	2,326	423,529	425,855
Receivables, net of allowance for uncollectible:			
Departmental and other.....	8,229	-	8,229
Loans.....	-	26,326	26,326
Total current assets.....	<u>3,118,374</u>	<u>449,862</u>	<u>3,568,236</u>
Noncurrent assets:			
Receivables, net of allowance for uncollectible amounts:			
Loans.....	-	2,979,817	2,979,817
Capital assets:			
Depreciable, net of accumulated depreciation.....	<u>1,518,226</u>	<u>-</u>	<u>1,518,226</u>
Total noncurrent assets.....	<u>1,518,226</u>	<u>2,979,817</u>	<u>4,498,043</u>
Total assets.....	<u>4,636,600</u>	<u>3,429,679</u>	<u>8,066,279</u>
<b>LIABILITIES</b>			
Current liabilities:			
Warrants payable.....	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total current liabilities.....	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total liabilities.....	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<b>FUND NET POSITION</b>			
Net investment in capital assets.....	1,518,226	-	1,518,226
Unrestricted.....	<u>3,058,374</u>	<u>3,429,679</u>	<u>6,488,053</u>
Total fund net position.....	<u>\$ 4,576,600</u>	<u>\$ 3,429,679</u>	<u>\$ 8,006,279</u>

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS**  
**COMPONENT UNITS**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Component Units		
	Newton Commonwealth Foundation, Inc. (As of 12/31/22)	Newton Community Development Authority	Total
<b>OPERATING REVENUES</b>			
Charges for services.....	\$ 681,385	\$ -	\$ 681,385
Other.....	-	39,018	39,018
<b>TOTAL OPERATING REVENUES.....</b>	<b>681,385</b>	<b>39,018</b>	<b>720,403</b>
<b>OPERATING EXPENSES</b>			
Salaries, wages and employee benefits.....	12,750	-	12,750
Other operating expenses.....	74,418	286,882	361,300
Depreciation.....	201,220	-	201,220
<b>TOTAL OPERATING EXPENSES.....</b>	<b>288,388</b>	<b>286,882</b>	<b>575,270</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>392,997</b>	<b>(247,864)</b>	<b>145,133</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment/interest income.....	11,766	5,040	16,806
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	<b>404,763</b>	<b>(242,824)</b>	<b>161,939</b>
<b>CHANGE IN FUND NET POSITION.....</b>	<b>404,763</b>	<b>(242,824)</b>	<b>161,939</b>
<b>FUND NET POSITION AT BEGINNING OF YEAR.....</b>	<b>4,171,837</b>	<b>3,672,503</b>	<b>7,844,340</b>
<b>FUND NET POSITION AT END OF YEAR.....</b>	<b>\$ 4,576,600</b>	<b>\$ 3,429,679</b>	<b>\$ 8,006,279</b>

See notes to basic financial statements.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### Note 1 - Summary of Significant Accounting Policies

#### A. Reporting Entity

The City of Newton, Massachusetts (the City) is a municipal corporation governed by an elected Mayor, who serves a four - year term, and a twenty-four member City Council, who serve two-year terms. Sixteen of the members of the City Council are elected at large, and eight members are elected from one of the City's eight wards. The current city charter was approved by the voters of the City on November 2, 1971, and became effective January 1972.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

The accompanying financial statements present the activities of the City and its component units, legally separate organizations for which the City is financially accountable or integrated.

#### Fiduciary Component Unit

The following component unit is presented as a fiduciary fund of the primary government due to the nature and significance of the relationship between the City and the component unit:

The Newton Contributory Retirement System (the System) was established to provide retirement benefits to City employees, Newton Housing Authority employees and their respective beneficiaries. The System is governed by a five member board comprised of the City Comptroller (ex officio); an appointee of the Mayor; two members elected by the active and retired members of the System, and one member appointed by the other four members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary funds financial statements.

The System does not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 1000 Commonwealth Avenue, Newton, Massachusetts 02459.

#### Discretely Presented Component Units

The following component units are discretely presented in the government-wide financial statements because of the nature and/or significance of their relationships with the City. Each of the component units described below are considered major component units.

*The Newton Commonwealth Foundation, Inc. (the Foundation)* was established for the management of the Newton Commonwealth Golf Course on the site formerly known as the Chestnut Hill Country Club. The Foundation is governed by a fifteen member board appointed by the Mayor and are subject to confirmation approval by a majority of the City Council. The annual operating budget of the Foundation is subject to approval by the Mayor. Complete audited financial statements may be obtained by writing to the Foundation Chairman at Newton City Hall, 1000 Commonwealth Avenue, Newton, Massachusetts 02469.

*The Newton Community Development Authority (the Authority)* was established in 1975 pursuant to Chapter 705 of the Massachusetts General Laws to develop housing programs for low and moderate income families, the elderly and handicapped residents of the City. The Authority is governed solely by the City's Director of Planning and Development, who is appointed by the Mayor, subject to confirmation approval by a majority of the City Council. The Authority does not issue a separate audited financial statement.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) including its aggregate discretely presented component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each major function/service program of the City's governmental activities. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to a particular service. Vehicle maintenance; retirement benefits; workers' compensation; property and liability insurance; health insurance subsidies; claims and judgments; other; and state assessments and charges costs have been allocated to major functions/programs in order to present a more accurate and complete picture of the cost of City services. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the major programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column in their respective governmental funds and proprietary funds financial statements. All remaining governmental funds are aggregated and reported in a separate column.

Internal service funds of the City (which provide services primarily to other funds of the City) are presented, in summary form, as part of the proprietary funds financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of the internal service funds are presented in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate function/program (general government, public safety, education, public works, health and human services, and culture and recreation) in the statement of activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange transactions (charges for services) associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. All revenues and expenses not meeting this definition, such as intergovernmental subsidies and investment earnings, are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

General Fund: The fund is used to account for and report all financial resources not accounted for and reported in another fund.

Community Preservation Fund: This fund accounts for the 1% local property tax surcharge that the voters of the City approved in November of 2001 for open space, historic resource and affordable housing purposes. The Commonwealth of Massachusetts currently matches (in the subsequent fiscal year) local surcharge revenue on a percentage basis that can change annually.

The City Council has appropriation authority over all community preservation funds; however, all appropriation recommendations must originate with the nine member community preservation committee.



## CITY OF NEWTON, MASSACHUSETTS

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

American Rescue Plan Act (ARPA) Fund: This fund is a special revenue fund used to account for financial resources related to federal ARPA funds.

The non-major governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

*Permanent funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

The City also reports the following enterprise funds:

Sewer Fund: This major fund accounts for the operation and maintenance of the City's sanitary sewer collection and disposal system. The City is charged an annual assessment by the Massachusetts Water Resources Authority (MWRA) for disposal of sanitary sewerage.

Water Fund: This major fund accounts for the operation and maintenance of the City's water supply and distribution system. The City is charged an annual assessment by the Massachusetts Water Resources Authority (MWRA) for water supply.

Stormwater Fund: This fund accounts for the operation and maintenance of the City's storm water drainage activities. These activities were previously accounted for within a special revenue fund.

The City also reports the following fund types:

Internal Service Funds: These funds account for group health, workers' compensation, building and general liability insurance protection to City departments on a cost reimbursement basis.

Pension Trust Fund: This fund is used to account for the activities of the System, which accumulates resources for defined benefit pension benefit payments to qualified employees and retirees and their survivors. This fund is excluded from the City's government-wide financial statements.

Other Postemployment Benefits (OPEB) Trust Fund: This fund is an irrevocable trust fund established for other postemployment benefits, which accumulates resources to reduce the unfunded actuarial liability of health care and other postemployment benefits.

Private Purpose Trust Funds: These funds are used to account for resources legally held in trust for the benefit of persons and organizations other than the City. Since such funds cannot be used for purposes of providing City services, they are excluded from the City's government-wide financial statements.

Custodial Fund: This fund is used to account for monies held in a custodial capacity. This fund is excluded from the City's government-wide financial statements.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Funds Financial Statements: The government-wide, proprietary, and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time that liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property, motor excise and hotel room occupancy taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Derived tax revenues, such as hotel room occupancy taxes, that result from assessments imposed by the City on exchange transactions are recognized when the underlying exchange occurs. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Funds Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers revenues reported in the governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days after year-end. Property taxes, motor excise taxes, charges for service, investment income, and in lieu of tax payments are considered to be susceptible to accrual. Revenue from grants, entitlements, and donations is recognized when all eligibility requirements have been satisfied and they are measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, compensated absences, landfill post closure monitoring costs (and other environmental liabilities) and claims and judgments, which are recognized as expenditures only to the extent that they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

### C. Assets, Liabilities and Equity

#### Cash and Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value; with the exception of money market mutual funds and external investment pools which are carried at amortized cost.

#### Restricted Cash and Cash Equivalents and Investments

Permanent fund cash and cash equivalents and investments and cash and cash equivalents associated with certain development and water and sewer utility deposits are classified as restricted. Other assets are classified as restricted when their use is restricted by third-party covenants.

#### Receivables

All trade and property tax receivables are shown net of an allowance for doubtful collections. Outstanding personal property taxes, motor excise taxes and parking violations that are three or more years old have been classified as uncollectible for financial reporting purposes.

Based upon an analysis of water and sewer receivable activity over the past three years, 1% of outstanding water, sewer, and storm water user charges receivable have been assigned to an allowance for doubtful collections. Real estate taxes receivable are secured by tax liens, and therefore are considered 100% collectible. Intergovernmental and lease receivables are considered 100% collectible.

## CITY OF NEWTON, MASSACHUSETTS

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Property taxes: The City is responsible for assessment and collection of all property taxes. The Board of Assessors determine the estimated fair value of all real and personal property, subject to the property tax, each January 1. Taxes are then levied on each property based upon the budget that is adopted by the Mayor and City Council net of the amount of state aid and other revenues. Property taxes are due in quarterly installments - August 1, November 1, February 1 and May 1, and subject to penalties and 14% interest if not paid by the due date. Taxes due on August 1 and November 1 are estimated based upon the prior year tax bill since the tax rate is generally not finalized until late November or December. The February 1 and May 1 tax bills are adjusted to reflect the actual tax levy. It is the City's policy to perfect tax liens on delinquent properties within one year of the date that the tax is levied.

Motor vehicle excise taxes: Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

Community preservation surcharges: Community preservation surcharges are levied annually and at a rate of 1% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. The surcharge is due with the real estate tax on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Water, Sewer, and Storm Water User Charges: Water and sewer user fees are billed quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Storm water charges are billed quarterly based upon an authorized flat fee and are subject to penalties and interest if they are not paid by the respective due date. Water, sewer, and storm water liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water, sewer, and storm water charges and related liens are recorded as receivables in the fiscal year of the levy. Unbilled amounts are estimated based upon actual billing amounts subsequent to year-end.

Intergovernmental: Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recognized as soon as all eligibility requirements have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred and all other eligibility requirements have been met.

Special assessments: Special assessments consist of street and sidewalk betterments and are recorded as receivables in the fiscal year accrued.

Leases: The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**Capital Assets**

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' useful lives are not capitalized.

Capital assets are defined by the City as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than a single year. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	7-20 years
Buildings and improvements	20-50 years
Machinery and equipment	3-20 years
Infrastructure	20-50 years

**Inter-fund Transactions**

Inter-fund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination in the government-wide statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers and are reported "gross" in the fund financial statements. Transfers between governmental funds are eliminated in the conversion to the government-wide financial statements, while transfers between governmental and proprietary funds are reported "net".

**Deferred Outflows of Resources**

The statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The government has the following items that qualify for reporting in this category. They are as follows:

- Deferred outflows related to pensions are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 68.
- Deferred outflows related to OPEB are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 75.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### Deferred Inflows of Resources

The statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government has the following items that qualify for reporting in this category. They are as follows:

- Deferred inflows related to pensions are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 68
- Deferred inflows related to OPEB are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 75
- Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.
- Deferred inflows related to leases are reported in the governmental funds and government-wide financial statements in accordance with GASB Statement No. 87.

### Net Position and Fund Balances

Government – wide and Proprietary Funds Financial Statements (Net Position) – Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Net position has been reported as restricted for the following purposes:

- Community preservation activities represent amounts restricted by state statute for open space; historic preservation, and affordable housing under the Community Preservation program.
- Education activities represent amounts received from the U.S. Department of Education, the Commonwealth of Massachusetts' Department of Education, and various private donors for public education services.
- Receipts reserved represent amounts for a variety of local revenues whose use is legally restricted by state law.
- Community development block grant represents amounts restricted for federal community development block grant funds.
- Municipal state grants represent amounts restricted for state grant funds other than school-related funds.
- Permanent funds – expendable represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- Permanent funds – non-expendable represents amounts held in trust for which only investment earnings may be expended.
- Other specific purposes represent restrictions placed on assets by other outside parties.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and unspent bond proceeds reduced by outstanding borrowings attributable to those assets.

Unrestricted net position is the difference between total net position and net investment in capital assets and restricted net position.

### Governmental Funds Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

*Nonspendable* — represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

*Restricted* — represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* — represents amounts that can be used only for specific purposes imposed by a formal action of the City Council, which is the highest level of decision-making authority for the City. Committed amounts may be established, modified, or rescinded only through actions approved by the City Council.

*Assigned* — represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the City's structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads.

*Unassigned* — represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

### **Long term debt**

Government-wide and Proprietary Funds Financial Statements — Long term debt is reported as a liability in the government wide and proprietary funds statements of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

Governmental Funds Financial Statements — The face amount of governmental funds long term debt is reported as other financing sources in the Governmental Fund Financial Statements. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds, are reported as General Government (financial administration) expenditures.

### **Lease Payable**

The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

## CITY OF NEWTON, MASSACHUSETTS

### Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

#### **Investment Income**

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the General Fund, unless otherwise directed by legal or contractual provisions.

Investment income from enterprise operating funds is voluntarily assigned to the general fund. Investment income from internal service funds is retained in the funds.

#### **Compensated Absences**

Employees are granted vacation leave, special leave (sick, religious observance, personal leave), and enhanced longevity benefits based upon collective bargaining agreements and city ordinance. These benefit costs are accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if the benefit had been earned at June 30 as a result of a retirement, resignation, or termination, and the benefit is expected to be paid immediately after the start of the new fiscal year. Vacation pay is classified as a current liability, while special leave and school enhanced longevity benefits are classified as non-current liabilities.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the System are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value.

#### **Post Retirement Benefits**

In addition to providing pension benefits and as more fully described in Note 12, the City provides health and life insurance coverage for current and future retirees and their spouses. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB trust fund and additions to/deductions from the fiduciary net position of the City's OPEB trust fund have been determined on the same basis as they are reported by the City's OPEB trust fund. For this purpose, the City's OPEB trust fund recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

### Total Column

*Government-wide financial statements* – The total column presented in the government-wide financial statements represents government-wide financial information.

*Fund financial statements* – The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

### Note 2 - Stewardship, Compliance, and Accountability

#### A. Budget Information

The municipal finance laws of the Commonwealth of Massachusetts require that the Mayor and City Council adopt a balanced budget each fiscal year. The City Charter requires that the Mayor submit a recommended budget to the City Council and that the Council adopt the budget, with or without amendments, within forty-five days following the day the budget is received. The City Council may approve, reduce or reject any budget recommendation of the Mayor by majority vote, but may not increase an appropriation without the concurrence of the Mayor. Annual appropriations are recommended and approved for the General Fund and Community Preservation Fund for personal services (salaries and wages), expenses (supplies and services), debt service and capital outlay/improvements, and fringe benefits. A single bottom-line appropriation budget is recommended and voted for the Newton Public Schools.

Amendments to the original budget; transfers between municipal departments; and transfers between departmental appropriation units require prior approval of the Mayor and City Council, and in the case of a transfer from one department to another, the approval of the head of the department from which funds are being transferred is also required.

The Comptroller's Office has responsibility for making certain that the budget is executed in accordance with the plan approved by the Mayor and City Council, and monthly appropriation status reports are provided to the Mayor and Council. Budgetary control is exercised on a line item basis for all municipal departments and transfers between line items within departmental appropriation units require advance approval of the Comptroller. Encumbrance accounting is used as an additional control measure. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities since goods and services have not been received.

Although unobligated annual appropriation balances generally lapse at year-end, it is the City's policy to continue certain appropriations into the following year under certain limited circumstances. These are limited to amounts voted as special (multi-year) appropriations (generally capital outlay and improvements), capital maintenance funds, property tax revaluation program appropriations and funds included in the annual budget for settlement of collective bargaining contracts that have not been settled at year-end.

An annual budget is adopted in conformity with the guidelines described above. The original fiscal year 2023 General Fund and Community Preservation Fund budgets authorized \$506,638,480 and \$30,735,756 (including prior year encumbrances and continuing appropriations), respectively, in appropriations and other amounts to be raised. During the fiscal year, the Mayor and City Council authorized supplemental appropriations for the General Fund and Community Preservation Fund totaling \$22,561,789, and (\$486,500), respectively, for total budgets of \$529,200,269 and \$30,249,256 respectively.



**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Total General Fund expenditures and transfers to other funds totaled \$494,007,652, and \$30,274,850 in appropriation balances were carried forward into fiscal year 2024 to support encumbrances and continuing appropriations.

Total Community Preservation Fund expenditures and transfers to other funds were \$5,768,345 and \$22,258,388 in appropriation balances were carried forward into fiscal year 2024 to support encumbrances and continuing appropriations.

**B. Deficit Net Position/Fund Balance**

At June 30, 2023, the net position of governmental activities and the primary government have a deficit balance of \$536,295,170 and \$364,041,365 respectively. The primary causes of the deficits are the net pension liability and net OPEB liability. At June 30, 2023, these liabilities total \$970,357,116 and \$996,594,691 for governmental activities and the primary government, respectively.

At June 30, 2023, the following temporary governmental fund deficits exist:

Description	Amount	Funding Source
Municipal Federal Grant..... \$	1,738,991	Federal Grants

**C. Budget to GAAP Reconciliation**

Accounting principles followed for purposes of preparing the financial statements on a budgetary basis differ from those used to present financial statements in accordance with GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund and Community Preservation Fund for the fiscal year ended June 30, 2023 are presented below:

	General Fund		
	Revenues	Expenditures	Other Financing Sources (Uses)
Budgetary basis as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual..... \$	492,010,659	\$ 478,605,273	\$ (6,646,674)
<u>Reclassifications</u>			
Activity of stabilization fund recorded in the general fund for GAAP purposes .....	676,149	-	(198,290)
<u>Adjustments</u>			
Net change in recording 60-day receipts.....	(236,749)	-	-
Net change in recording tax refunds payable.....	5,204,639	-	-
To record leases.....	(4,158)	-	-
To record activity of MTRS on-behalf payments.....	36,097,173	36,097,173	-
To record Opioid Settlement receivables.....	77,437	-	-
Net change in recording other revenues.....	49,078	-	-
Net change in recording other expenditures.....	-	873,856	873,856
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balance \$	<u>533,874,228</u>	<u>\$ 515,576,302</u>	<u>\$ (5,971,108)</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

	CPA Fund	
	Revenues	Expenditures
Budgetary basis as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 5,842,738	3,820,289
<u>Adjustment</u>		
Net change in recording 60-day receipts.....	12,863	-
Net change in recording expenditure accruals.....	-	(178,287)
	5,855,601	3,642,002
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	\$ 5,855,601	3,642,002

**Note 3 - Deposits and Investments**

**A. Summary of Deposit and Investment Balances**

*City (Excluding the Pension Trust Fund)*

The municipal finance laws of the Commonwealth authorize the City to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer’s investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

The municipal finance laws allow the City to invest private purpose trust funds in securities other than mortgages or collateral loans that are legal for the investment of funds of savings banks under the laws of the Commonwealth of Massachusetts.

Investments for the City are reported at fair value.

The City maintains a cash and short term investment pool that is available for use by all funds with unrestricted cash and investments. The deposits and investments of private purpose and pensions trust funds are held separately from other City funds.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits may not be recovered. The City does not have a policy for custodial credit risk of deposits. As of June 30, 2023, \$4,999,231 of the City’s bank balance of \$169,350,538 was uninsured and uncollateralized.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Investments Summary

The City's investments at June 30, 2023 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 82,629,718	\$ 74,700,393	\$ 7,716,562	\$ 212,763
U.S. Agencies.....	123,720	-	123,720	-
Corporate bonds.....	508,842	29,469	340,324	139,049
Money market mutual funds.....	1,069,907	1,069,907	-	-
Mutual bond funds.....	7,406,638	7,406,638	-	-
External investment pools.....	<u>134,884,884</u>	<u>134,884,884</u>	<u>-</u>	<u>-</u>
Total debt securities.....	<u>226,623,709</u>	<u>\$ 218,091,291</u>	<u>\$ 8,180,606</u>	<u>\$ 351,812</u>
<u>Other Investments:</u>				
Equity mutual funds.....	3,247,579			
Equity securities.....	13,981,543			
International equities.....	<u>4,465,204</u>			
Total other investments.....	<u>21,694,326</u>			
Total investments.....	<u>\$ 248,318,035</u>			

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The City does not have a policy for interest rate risk of debt securities.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk of investments. As of June 30, 2023, \$113,433,151 of the City's investments of \$248,318,35 were uninsured, not registered in the name of the City and exposed to custodial credit risk as follows:

Investment Type	Total Amount	Held by Counterparty	Held by Counterparty's Trust or Agent
U.S. Treasuries.....	\$ 82,629,718	\$ -	\$ 82,629,718
U.S. Agencies.....	123,720	-	123,720
Corporate bonds.....	508,842	-	508,842
Money market mutual funds.....	1,069,907	1,069,907	-
Mutual bond funds.....	7,406,638	-	7,406,638
Equity mutual funds.....	3,247,579	-	3,247,579
Equity securities.....	13,981,543	-	13,981,543
International equities.....	4,465,204	-	4,465,204
<b>Total.....</b>	<b>\$ 113,433,151</b>	<b>\$ 1,069,907</b>	<b>\$ 112,363,244</b>

Investments - Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The City does not have a policy for credit risk of debt securities. As of June 30, 2023, the credit quality ratings of the City's investments in debt securities are as follows:

Investment Type	Total Amount	Quality Ratings *						
		AA+	AA-	A+	A	BBB+	A-	Unrated
Corporate bonds.....	\$ 508,842	\$ 291,765	\$ 74,255	\$ 29,469	\$ 45,678	\$ 21,087	\$ 46,588	\$ -
Money market mutual funds.....	1,069,907	-	-	-	-	-	-	1,069,907
Mutual bond funds.....	7,406,638	-	-	-	-	-	-	7,406,638
External investment pools.....	134,884,884	-	-	-	-	-	-	134,884,884
<b>Total.....</b>	<b>\$ 143,870,271</b>	<b>\$ 291,765</b>	<b>\$ 74,255</b>	<b>\$ 29,469</b>	<b>\$ 45,678</b>	<b>\$ 21,087</b>	<b>\$ 46,588</b>	<b>\$ 143,361,429</b>

\* Per the rating scale of Moody's and Standard and Poor's (national credit rating organizations)

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Investments – Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 82,629,718	\$ 82,629,718	\$ -	\$ -
U.S. Agencies.....	123,720	123,720	-	-
Corporate bonds.....	508,842	508,842	-	-
Mutual bond funds.....	7,406,638	7,406,638	-	-
Total Debt Securities.....	<u>90,668,918</u>	<u>90,668,918</u>	<u>-</u>	<u>-</u>
<u>Equity Securities:</u>				
Equity mutual funds.....	3,247,579	3,247,579	-	-
Equity securities.....	13,981,543	13,981,543	-	-
International equities.....	4,465,204	4,465,204	-	-
Total Equity Securities.....	<u>21,694,326</u>	<u>21,694,326</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level .....	<u>112,363,244</u>	<u>\$ 112,363,244</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments measured at the net asset value (NAV)</u>				
PRIT Fund.....	<u>30,505,572</u>			
Total Investments measured at Fair Value ...	<u>\$ 142,868,816</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments Measured at the NAV

The City owns units, or shares in the State Retiree Benefits Trust Fund reported in the City’s OPEB Trust Fund. By law, such investments are required to be invested in the Pension Reserves Investment Trust (“PRIT”) Fund. The investments are irrevocable and invested for the sole purpose to provide funding for the City’s post-employment benefits for the exclusive benefit of the City’s retired employees and their eligible dependents; and for defraying the reasonable expenses of the Trust in accordance with the Trust agreement. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the City’s ownership of the fund.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

*Pension Trust Fund (The System)*

PRIT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The reported value of the pool is the same as the fair value of the City’s position in pool shares.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the System’s deposits may not be recovered. The System does not have a policy for custodial credit risk of deposits. As of December 31, 2022, the System is not exposed to custodial credit risk.

Investments Summary

The System’s investments at December 31, 2022 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	<u>Total Amount</u>	<u>Investment Maturities (in Years) Less Than 1</u>
<u>External Investment Pools:</u>		
Pension Reserve Investment Trust.....	\$ 444,730,653	\$ 444,730,653
Massachusetts Municipal Depository Trust..	<u>29,070,983</u>	<u>29,070,983</u>
 Total investments.....	 <u>\$ 473,801,636</u>	 <u>\$ 473,801,636</u>

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The System’s policy is that at least 15%, but no more than 30% of the portfolio must be invested in fixed income securities.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System does not have a policy for custodial credit risk of investments. The custodial arrangements are reflective of the fact that System assets are invested in pooled funds as opposed to individual securities. As of December 31, 2022, the System’s investments were not exposed to custodial credit risk.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The System's policy is that for underlying investments in external investment pools, bonds shall have a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 5% of the total investment portfolio may be invested in bonds with a minimum quality rating of CCC as rated by Standard & Poor's Corporate and Municipal Rating Service. As of December 31, 2022, the System's debt security investments were in external investment pools unrated by national credit rating organizations.

Investments – Fair Value Measurements – System

The System is a participating retirement system in the PRIT fund. The System owns units, or shares in the PRIT fund, which is a pooled investment trust. The investments made by the System are governed by Chapter 32 of the MGL. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership in the pool.

**Note 4 - Receivables**

At June 30, 2023, receivables for the individual major governmental funds and non-major governmental, internal service and fiduciary funds in the aggregate, including applicable allowances for amounts estimated to be uncollectible, are as follows:

	Gross	Allowance	Net
	Amount	for	Amount
	<u>Amount</u>	<u>Uncollectibles</u>	<u>Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 5,429,256	\$ (127,311)	\$ 5,301,945
Real estate tax deferrals.....	3,447,568	-	3,447,568
Tax liens.....	8,582,792	-	8,582,792
Motor vehicle and other excise taxes.....	1,494,141	(386,837)	1,107,304
Community preservation surcharges.....	49,535	-	49,535
Departmental and other.....	9,665,350	(7,129,643)	2,535,707
Intergovernmental.....	5,577,113	-	5,577,113
Special assessments.....	268,878	-	268,878
Leases.....	3,759,376	-	3,759,376
	<u>\$ 38,274,009</u>	<u>\$ (7,643,791)</u>	<u>\$ 30,630,218</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

At June 30, 2023, receivables for the Enterprise Funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Charges for services.....	\$ 18,438,797	\$ (166,842)	\$ 18,271,955
Utility liens.....	324,506	-	324,506
Special assessments.....	186,084	-	186,084
	<u>\$ 18,949,387</u>	<u>\$ (166,842)</u>	<u>\$ 18,782,545</u>

**Note 5 – Capital Assets**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2023 was as follows:

	July 1, 2022 Balance	Increases	Decreases	June 30, 2023 Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land.....	\$ 54,491,052	\$ 1,485,000	\$ -	\$ 55,976,052
Intangible assets.....	2,238,261	-	-	2,238,261
Construction in progress.....	17,596,090	14,972,449	(2,780,226)	29,788,313
Sub-total .....	<u>74,325,403</u>	<u>16,457,449</u>	<u>(2,780,226)</u>	<u>88,002,626</u>
Capital assets being depreciated:				
Buildings and improvements.....	647,572,409	2,668,842	-	650,241,251
Equipment and machinery.....	98,898,234	7,334,443	(3,153,481)	103,079,196
Road network.....	154,571,922	6,703,015	-	161,274,937
Sub-total.....	<u>901,042,565</u>	<u>16,706,300</u>	<u>(3,153,481)</u>	<u>914,595,384</u>
Less: accumulated depreciation:				
Buildings and improvements.....	(237,689,592)	(15,508,677)	-	(253,198,269)
Equipment and machinery.....	(70,479,579)	(7,194,205)	3,143,539	(74,530,245)
Road network.....	(47,176,497)	(3,234,303)	-	(50,410,800)
Sub-total.....	<u>(355,345,668)</u>	<u>(25,937,185)</u>	<u>3,143,539</u>	<u>(378,139,314)</u>
Capital assets being depreciated, net.....	<u>545,696,897</u>	<u>(9,230,885)</u>	<u>(9,942)</u>	<u>536,456,070</u>
Governmental capital assets, net.....	<u>\$ 620,022,300</u>	<u>\$ 7,226,564</u>	<u>\$ (2,790,168)</u>	<u>\$ 624,458,696</u>



**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Depreciation was charged to governmental fund programs in the Statement of Activities as follows:

Legislative & executive	\$	13,196
Administrative support		756,494
Planning & development		253,607
Public building maintenance and operations		500,543
Police		705,789
Fire		1,876,817
Inspectional services		28,879
Education		15,257,288
Streets and sidewalks		4,154,779
Control of snow and ice		114,544
Solid waste		998
Senior services		5,404
Libraries		1,159,034
Parks and recreation		1,073,672
Newton history museum		36,141
Total	\$	<u><u>25,937,185</u></u>

Capital asset activity for individual enterprise funds for the fiscal year ended June 30, 2023 is as follows:

	July 1, 2022			June 30, 2023
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Water system:</b>				
Capital assets not being depreciated:				
Land.....	\$ 258,540	\$ -	\$ -	\$ 258,540
Construction in progress.....	-	2,688,149	-	2,688,149
Sub-total .....	<u>258,540</u>	<u>2,688,149</u>	<u>-</u>	<u>2,946,689</u>
Capital assets being depreciated:				
Buildings and improvements.....	2,455,492	-	-	2,455,492
Equipment and machinery.....	11,181,503	238,624	(20,032)	11,400,095
Water system.....	85,350,420	3,232,341	-	88,582,761
Sub-total.....	<u>98,987,415</u>	<u>3,470,965</u>	<u>(20,032)</u>	<u>102,438,348</u>
Less: accumulated depreciation:				
Buildings and improvements.....	(1,480,455)	(91,524)	-	(1,571,979)
Equipment and machinery.....	(7,675,231)	(775,826)	20,032	(8,431,025)
Water system.....	(22,073,525)	(1,704,713)	-	(23,778,238)
Sub-total.....	<u>(31,229,211)</u>	<u>(2,572,063)</u>	<u>20,032</u>	<u>(33,781,242)</u>
Capital assets being depreciated, net.....	<u>67,758,204</u>	<u>898,902</u>	<u>-</u>	<u>68,657,106</u>
Water system capital assets, net.....	\$ <u><u>68,016,744</u></u>	\$ <u><u>3,587,051</u></u>	\$ <u><u>-</u></u>	\$ <u><u>71,603,795</u></u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

	July 1, 2022			June 30, 2023
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Sewer system</b>				
Capital assets not being depreciated:				
Land.....	\$ 26,245	\$ -	\$ -	\$ 26,245
Construction in progress.....	353,130	2,689,180	-	3,042,310
Sub-total.....	<u>379,375</u>	<u>2,689,180</u>	<u>-</u>	<u>3,068,555</u>
Capital assets being depreciated:				
Buildings and improvements.....	1,887,602	-	-	1,887,602
Equipment and machinery.....	5,400,746	269,682	(111,591)	5,558,837
Sanitary sewer system.....	92,188,028	4,396,145	-	96,584,173
Sub-total.....	<u>99,476,376</u>	<u>4,665,827</u>	<u>(111,591)</u>	<u>104,030,612</u>
Less: accumulated depreciation:				
Buildings and improvements.....	(1,060,264)	(77,294)	-	(1,137,558)
Equipment and machinery.....	(2,576,664)	(346,695)	111,591	(2,811,768)
Sanitary sewer system.....	<u>(29,678,600)</u>	<u>(1,716,657)</u>	<u>-</u>	<u>(31,395,257)</u>
Sub-total.....	<u>(33,315,528)</u>	<u>(2,140,646)</u>	<u>111,591</u>	<u>(35,344,583)</u>
Capital assets being depreciated, net.....	<u>66,160,848</u>	<u>2,525,181</u>	<u>-</u>	<u>68,686,029</u>
Sewer system capital assets, net.....	<u>\$ 66,540,223</u>	<u>\$ 5,214,361</u>	<u>\$ -</u>	<u>\$ 71,754,584</u>
	July 1, 2022			June 30, 2023
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Stormwater system</b>				
Capital assets not being depreciated:				
Construction in progress.....	\$ 278,964	\$ 701,301	\$ (201,010)	\$ 779,255
Capital assets being depreciated:				
Storm drainage system.....	8,752,331	266,010	-	9,018,341
Less: accumulated depreciation				
Storm drainage system.....	<u>(2,224,966)</u>	<u>(199,354)</u>	<u>-</u>	<u>(2,424,320)</u>
Capital assets being depreciated, net.....	<u>6,527,365</u>	<u>66,656</u>	<u>-</u>	<u>6,594,021</u>
Stormwater system capital assets, net.....	<u>\$ 6,806,329</u>	<u>\$ 767,957</u>	<u>\$ (201,010)</u>	<u>\$ 7,373,276</u>

Capital asset activity for the Newton Commonwealth Foundation for the fiscal year ended December 31, 2022 is as follows:

	Beginning			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
<b>Golf course:</b>				
Capital assets being depreciated:				
Land improvements.....	\$ 4,082,627	\$ 41,164	\$ -	\$ 4,123,791
Buildings and improvements.....	230,192	170,407	-	400,599
Equipment and machinery.....	135,273	-	-	135,273
Sub-total.....	<u>4,448,092</u>	<u>211,571</u>	<u>-</u>	<u>4,659,663</u>
Less: accumulated depreciation:				
Land improvements.....	(2,745,235)	(178,079)	-	(2,923,314)
Buildings and improvements.....	(97,345)	(17,299)	-	(114,644)
Equipment and machinery.....	<u>(97,637)</u>	<u>(5,842)</u>	<u>-</u>	<u>(103,479)</u>
Sub-total.....	<u>(2,940,217)</u>	<u>(201,220)</u>	<u>-</u>	<u>(3,141,437)</u>
Golf course, net.....	<u>\$ 1,507,875</u>	<u>\$ 10,351</u>	<u>\$ -</u>	<u>\$ 1,518,226</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 6 – Net Investment in Capital Assets**

Net investment in capital assets at June 30, 2023 is summarized as follows:

***Governmental Activities***

Capital assets, net of accumulated depreciation.....	\$	624,458,696
Less: total long-term debt outstanding.....		(300,490,686)
Less: lease liability.....		(923,303)
Add: unspent BAN/bond proceeds.....		<u>22,891,315</u>
Net investment in capital assets.....	\$	<u><u>345,936,022</u></u>

***Business-Type Activities***

	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Total Enterprise Funds/ Business-Type Activities</u>
Capital assets, net of accumulated depreciation.....	\$ 71,603,795	\$ 71,754,584	\$ 7,373,276	\$ 150,731,655
Less: capital-related accounts payable.....	(189,884)	(1,401,714)	-	(1,591,598)
Less: total long-term debt outstanding.....	(29,569,172)	(14,399,496)	(4,260,301)	(48,228,969)
Less: lease liability outstanding.....	-	(6,057)	-	(6,057)
Add: unspent BAN/bond proceeds.....	<u>12,289,326</u>	<u>22,470,179</u>	<u>1,490,554</u>	<u>36,250,059</u>
Net investment in capital assets.....	\$ <u><u>54,134,065</u></u>	\$ <u><u>78,417,496</u></u>	\$ <u><u>4,603,529</u></u>	\$ <u><u>137,155,090</u></u>

**Note 7 – Inter-fund Receivables, Payables and Transfers**

Receivables and payables between funds at June 30, 2023, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds (School Federal Grant Fund)	\$ 2,664,477
General Fund	Nonmajor Governmental Funds (Municipal Federal Grant Fund)	2,004,373
General Fund	Nonmajor Governmental Funds (Municipal State Grant Fund)	617,620
General Fund	Nonmajor Governmental Funds (Revolving Funds)	606,474
General Fund	Internal Service Funds (Workers' Compensation Insurance)	441,022
General Fund	Nonmajor Governmental Funds (Street Improvements Fund)	302,667
General Fund	Nonmajor Governmental Funds (School State Grant Fund)	295,883
General Fund	Nonmajor Governmental Funds (Municipal Trust Funds)	9,677
General Fund	Fiduciary Funds (Private Purpose Trust Funds)	<u>12</u>
	Total	\$ <u><u>6,942,205</u></u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Inter-fund transfer activity for the fiscal year ended June 30, 2023 consisted of the following:

	General Fund	American Rescue Plan Act (ARPA)	Community Preservation	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Stormwater Enterprise Fund	Total All Funds
Solid Waste Program receipts reserved	\$ 130,000	\$ -	\$ -	(130,000)	\$ -	\$ -	\$ -	\$ -
BAA Marathon receipts reserved	137,000	-	-	(137,000)	-	-	-	-
Sale of Recycling Materials receipts reserved	50,000	-	-	(50,000)	-	-	-	-
CATV licensing fees receipts reserved	300,000	-	-	(300,000)	-	-	-	-
NCGF golf day receipts reserved	15,000	-	-	(15,000)	-	-	-	-
Sewer fund admin overhead support	2,070,078	-	-	-	-	(2,070,078)	-	-
Water fund admin overhead support	1,756,071	-	-	-	(1,756,071)	-	-	-
Stormwater fund admin overhead support	808,674	-	-	-	-	-	(808,674)	-
ARPA Fund support	3,000,000	(3,000,000)	-	-	-	-	-	-
Water fund indirect cost reimbursement to Sewer fund	-	-	-	-	(659,930)	659,930	-	-
Langley Path Improvements	11,926	-	-	(11,926)	-	-	-	-
Langley Road Speed Feedback Signs	12,000	-	-	(12,000)	-	-	-	-
Library HVAC System (from Capital Stabilization Energy)	(165,000)	-	-	165,000	-	-	-	-
Newton Housing Trust (From CPA & CPA Housing)	-	-	(1,948,056)	1,948,056	-	-	-	-
Lowell Ave Traffic Safety Improvement	-	-	-	50,000	-	-	-	50,000
Lowell Ave Traffic Safety Improvement	-	-	-	(50,000)	-	-	-	(50,000)
Fire Engine #7	(800,000)	-	-	800,000	-	-	-	-
Sidewalk Clearing Tractor	(150,000)	-	-	150,000	-	-	-	-
NewMo Transportation	33,333	-	-	(33,333)	-	-	-	-
Operation Access	7,000	-	-	(7,000)	-	-	-	-
Sidewalk Clearing Tractor	(150,000)	-	-	150,000	-	-	-	-
Hybrid Police Cruisers	(258,524)	-	-	258,524	-	-	-	-
NewMo Transportation	225,000	-	-	(225,000)	-	-	-	-
Executive Office Special Event Concert	1,500	-	-	(1,500)	-	-	-	-
Green Communities Fire Station #1 Grant	(33,289)	-	-	33,289	-	-	-	-
DPW Vehicle Replacement	(1,000,000)	-	-	1,000,000	-	-	-	-
Lincoln Eliot Construction	(10,000,000)	-	-	10,000,000	-	-	-	-
Crafts St Wash Bay Construction Supplies	-	-	-	-	(500,000)	500,000	-	-
Library HVAC System	(750,000)	-	-	750,000	-	-	-	-
BAA Playground Improvements	90,000	-	-	(90,000)	-	-	-	-
Bond Premiums to pay Debt Service	108,123	-	-	(108,123)	-	-	-	-
Newton Public Schools Athletic Revolving Fund Subsidy	(1,420,000)	-	-	1,420,000	-	-	-	-
Transfers from other funds	\$ 8,755,705	\$ -	\$ -	16,724,869	\$ -	\$ 1,159,930	\$ -	\$ 26,640,504
Transfers to other funds	\$ (14,726,813)	\$ (3,000,000)	\$ (1,948,056)	(1,170,882)	\$ (2,916,001)	\$ (2,070,078)	\$ (808,674)	\$ (26,640,504)

**Note 8 – Leases (Lessor)**

The City leases certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2039.

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 578,291	\$ 56,708	\$ 634,999
2025	599,089	45,366	644,455
2026	484,264	34,080	518,344
2027	363,828	28,793	392,621
2028	378,738	24,505	403,243
2029-2033	1,100,904	61,710	1,162,614
2034 and thereafter	254,262	16,155	270,417
Total minimum lease payments	\$ 3,759,376	\$ 267,317	\$ 4,026,693

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 9 - Short-Term Debt**

Short term debt may be authorized and issued to fund current operating costs prior to the collection of revenues through the issuance of revenue (RAN's) or tax anticipation notes (TAN's), or to finance capital project expenditures prior to the issuance of permanent long-term debt, through the issuance of bond (BAN's) or grant anticipation notes (GAN's).

Short term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures for short term borrowing are accounted for in the general fund.

The City did not have any short term debt activity for the fiscal year ended June 30, 2023.

**Note 10 - Long-Term Obligations**

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2023:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion
<b>Governmental Activities:</b>					
Bonds and notes payable.....\$	306,813,846	\$ 10,533,137	\$ (16,856,297)	\$ 300,490,686	\$ 17,386,386
Landfill closure and other environmental	358,236	195,000	(56,444)	496,792	63,629
Workers' compensation.....	10,853,259	1,766,431	(1,878,609)	10,741,081	1,900,000
Compensated absences.....	10,972,175	1,340,719	(666,866)	11,646,028	5,590,542
Leases.....	1,101,660	-	(178,357)	923,303	445,647
<b>Total.....\$</b>	<b>330,099,176</b>	<b>\$ 13,835,287</b>	<b>\$ (19,636,573)</b>	<b>\$ 324,297,890</b>	<b>\$ 25,386,204</b>
<b>Business-type Activities:</b>					
Bonds and notes payable.....\$	22,618,497	\$ 9,901,605	\$ (1,578,903)	\$ 30,941,199	\$ 2,516,369
Direct borrowings.....	16,832,020	3,168,700	(2,712,950)	17,287,770	2,883,800
Compensated absences.....	303,530	58,965	-	362,495	36,249
Leases.....	11,023	-	(4,966)	6,057	2,860
<b>Total.....\$</b>	<b>39,765,070</b>	<b>\$ 13,129,270</b>	<b>\$ (4,296,819)</b>	<b>\$ 48,597,521</b>	<b>\$ 5,439,278</b>

Internal service funds predominantly serve the governmental funds. Accordingly, the internal service fund's long-term liabilities are included as part of the governmental activities totals above. At fiscal year-end, \$10,741,081 of the internal service funds accrued liabilities (workers' compensation claims) is included above.

Except for the amounts related to the internal service funds and community preservation fund, the governmental activities long term liabilities are generally liquidated by the general fund.

For direct borrowings, there are no terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 11 - Long-Term Debt**

Information on the City's long term debt at June 30, 2023, along with future year debt service requirements, is presented as follows.

**Bonds Payable – Governmental Funds**

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2022	Issued	Redeemed	Outstanding June 30, 2023
School new construction.....	3/30/2011	2.00%	\$ 6,966,663	\$ -	\$ (366,667)	\$ 6,599,996
Elementary modular classrooms.....	4/12/2012	2.0 - 3.0%	300,000	-	(60,000)	240,000
Elementary modular classrooms.....	4/12/2012	2.0 - 3.0%	25,000	-	(5,000)	20,000
Elementary sprinkler design.....	4/12/2012	2.0 - 3.0%	25,000	-	(5,000)	20,000
Elementary sprinkler systems.....	4/12/2012	2.0 - 3.0%	475,000	-	(95,000)	380,000
School accessibility upgrades.....	4/12/2012	2.0 - 3.0%	100,000	-	(20,000)	80,000
School electrical system upgrades.....	4/12/2012	2.0 - 3.0%	50,000	-	(10,000)	40,000
School generator replacement.....	4/12/2012	2.0 - 3.0%	100,000	-	(20,000)	80,000
School heating system improvements.....	4/12/2012	2.0 - 3.0%	150,000	-	(30,000)	120,000
Braceland Park improvements.....	4/12/2012	2.0 - 3.0%	50,000	-	(10,000)	40,000
School advance refunding .....	4/12/2013	2.0 - 4.0%	1,425,000	-	(475,000)	950,000
School renovations.....	4/12/2013	2.0 -4.0%	5,170,000	-	(265,000)	4,905,000
Public works equipment.....	4/12/2013	2.0 -4.0%	15,000	-	(15,000)	-
Gath Pool improvements.....	4/12/2013	2.0 -4.0%	15,000	-	(15,000)	-
City Hall improvements.....	4/12/2013	2.0 -4.0%	285,000	-	(35,000)	250,000
Crafts St DPW garage improvements.....	4/12/2013	2.0 -4.0%	20,000	-	(20,000)	-
Fire equipment.....	4/12/2013	2.0 -4.0%	390,000	-	(65,000)	325,000
Elementary modular classrooms.....	3/06/2014	2.75% - 5.0%	1,120,000	-	(160,000)	960,000
Mason Rice School sprinklers.....	3/06/2014	2.75% - 5.0%	210,000	-	(30,000)	180,000
Carr School renovations.....	3/06/2014	2.75% - 5.0%	9,810,000	-	(300,000)	9,510,000
Angier demolition & construction.....	3/06/2014	2.75% - 5.0%	4,175,000	-	(125,000)	4,050,000
Community Ctr renovations.....	3/06/2014	2.75% - 5.0%	115,000	-	(20,000)	95,000
DPW equipment.....	3/06/2014	2.75% - 5.0%	50,000	-	(25,000)	25,000
Snow melting equipment.....	3/06/2014	2.75% - 5.0%	50,000	-	(25,000)	25,000
Salt shed & garage.....	3/06/2014	2.75% - 5.0%	300,000	-	(25,000)	275,000
School renovation adv refunding.....	1/29/2015	2.0-3.0%	1,852,000	-	(475,000)	1,377,000
School renovation adv refunding.....	1/29/2015	2.0-3.0%	1,613,000	-	(420,000)	1,193,000
Fire station adv refunding.....	1/29/2015	2.0-3.0%	20,000	-	(20,000)	-
School construction adv refunding.....	1/29/2015	2.0-3.0%	5,520,000	-	(980,000)	4,540,000
Bigelow staircase.....	1/29/2015	2.0-5.0%	135,000	-	(45,000)	90,000
Angier construction.....	1/29/2015	2.0-5.0%	12,845,000	-	(370,000)	12,475,000
Fire station #10 renovations.....	1/29/2015	2.0-5.0%	3,965,000	-	(305,000)	3,660,000
Publ Bldg Energy Conservation.....	1/29/2015	2.0-5.0%	1,690,000	-	(130,000)	1,560,000
DPW equipment .....	1/29/2015	2.0-5.0%	95,000	-	(35,000)	60,000
North High School adv refunding.....	1/28/2016	3.0 -5.0%	15,920,590	-	(677,040)	15,243,550
Brown Windows adv refunding.....	1/28/2016	3.0 -5.0%	589,740	-	(98,290)	491,450
Fire Pumper adv refunding.....	1/28/2016	3.0 -5.0%	27,710	-	(27,710)	-
DPW Equipment adv refunding.....	1/28/2016	3.0 -5.0%	36,960	-	(36,960)	-
Zervas Elementary construction.....	1/28/2016	3.0 -5.0%	17,655,000	-	(455,000)	17,200,000
Angier Elementary construction.....	1/28/2016	3.0 -5.0%	4,380,000	-	(110,000)	4,270,000
Aquinas Acquisition.....	1/28/2016	3.0 -5.0%	15,325,000	-	(395,000)	14,930,000
FA Day Hot Water Heater.....	1/28/2016	3.0 -5.0%	65,000	-	(15,000)	50,000
NNHS Baseball Backstop.....	1/28/2016	3.0 -5.0%	240,000	-	(20,000)	220,000
Fire Station #3 Improvements.....	1/28/2016	3.0 -5.0%	3,225,000	-	(80,000)	3,145,000
Senior Center HVAC.....	1/28/2016	3.0 -5.0%	65,000	-	(15,000)	50,000
City Hall War Memorial Elevator.....	1/28/2016	3.0 -5.0%	890,000	-	(45,000)	845,000
Manet Rd Communications Building.....	1/28/2016	3.0 -5.0%	675,000	-	(15,000)	660,000
Main Library Improvements.....	1/28/2016	3.0 -5.0%	115,000	-	(25,000)	90,000
City Hall Roof Trace Wiring.....	1/28/2016	3.0 -5.0%	40,000	-	(10,000)	30,000

(continued)

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Bonds Payable – Governmental Funds (Continued)**

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2022	Issued	Redeemed	Outstanding June 30, 2023
DPW Snowblower.....	1/28/2016	3.0 -5.0%	65,000	-	(15,000)	50,000
Library Automated Circulation Eqmt.....	1/28/2016	3.0 -5.0%	90,000	-	(20,000)	70,000
Fire Pumper.....	1/28/2016	3.0 -5.0%	445,000	-	(40,000)	405,000
Fire SCBA Equipment.....	1/28/2016	3.0 -5.0%	230,000	-	(55,000)	175,000
Fire Bucket Truck.....	1/28/2016	3.0 -5.0%	100,000	-	(25,000)	75,000
NSHS Tennis Courts.....	1/28/2016	3.0 -5.0%	510,000	-	(45,000)	465,000
Traffic Signal Improvements.....	1/28/2016	3.0 -5.0%	365,000	-	(85,000)	280,000
Auburndale Sq Traffic Improvements.....	1/28/2016	3.0 -5.0%	550,000	-	(130,000)	420,000
Eliot St Bridge Replacement.....	1/28/2016	3.0 -5.0%	1,575,000	-	(85,000)	1,490,000
North High School Construction.....	7/28/2016	3.0 -4.0%	55,555,000	-	(2,330,000)	53,225,000
FA Day HVAC.....	7/28/2016	3.0 -4.0%	662,500	-	(95,000)	567,500
Underwood Boiler.....	7/28/2016	3.0 -4.0%	60,000	-	(10,000)	50,000
Brown Windows.....	7/28/2016	3.0 -4.0%	237,500	-	(40,000)	197,500
NSHS Athletic Fields.....	7/28/2016	3.0 -4.0%	400,500	-	(200,000)	200,500
Fire Station #4 Renovations.....	7/28/2016	3.0 -4.0%	301,500	-	(155,000)	146,500
City Hall Boiler.....	7/28/2016	3.0 -4.0%	65,000	-	(10,000)	55,000
Fire Ladder Truck.....	7/28/2016	3.0 -4.0%	90,000	-	(45,000)	45,000
Parks Vehicles.....	7/28/2016	3.0 -4.0%	10,000	-	(5,000)	5,000
DPW Equipment.....	7/28/2016	3.0 -4.0%	73,000	-	(40,000)	33,000
Zervas Elementary Construction.....	1/25/2017	3.0 -4.0%	11,425,000	-	(280,000)	11,145,000
Cabot Land Acquisition.....	1/25/2017	3.0 -5.0%	885,000	-	(20,000)	865,000
Cabot Design.....	1/25/2017	3.0 -4.0%	355,000	-	(10,000)	345,000
Cabot Construction.....	1/25/2017	3.0 -5.0%	5,355,000	-	(130,000)	5,225,000
Fire Station #3 Improvements.....	1/25/2017	3.0 -4.0%	2,985,000	-	(75,000)	2,910,000
Fire Station #3 Improvements.....	1/25/2017	3.0 -5.0%	8,619,600	-	(430,000)	8,189,600
DPW Construction Vehicle.....	1/25/2017	3.0 -4.0%	125,000	-	(25,000)	100,000
Fire Pumper.....	1/25/2017	3.0 -4.0%	325,800	-	(60,000)	265,800
Police Dispatch Consoles.....	1/25/2017	3.0 -5.0%	351,800	-	(65,000)	286,800
2010 School Qualified Bonds.....	12/12/2017	3.0 -5.0%	6,480,000	-	(360,000)	6,120,000
2010 Modular Classrooms.....	12/12/2017	3.0 -5.0%	246,000	-	(82,000)	164,000
2010 Burr School Windows.....	12/12/2017	3.0 -5.0%	208,000	-	(26,000)	182,000
2010 Fire Station 4 Renovations.....	12/12/2017	3.0 -5.0%	34,000	-	(5,000)	29,000
2010 Fire Station 7 Renovations.....	12/12/2017	3.0 -5.0%	1,536,000	-	(192,000)	1,344,000
2010 Energy Conservation.....	12/12/2017	3.0 -5.0%	666,000	-	(222,000)	444,000
2011 School Roof Repairs.....	12/12/2017	3.0 -5.0%	317,000	-	(36,000)	281,000
2011 School Masonry Repairs.....	12/12/2017	3.0 -5.0%	171,000	-	(19,000)	152,000
2011 School Boiler Replacement.....	12/12/2017	3.0 -5.0%	130,000	-	(15,000)	115,000
2011 H. Mann School Windows/Doors.....	12/12/2017	3.0 -5.0%	198,000	-	(22,000)	176,000
2017 Zervas School Construction.....	12/12/2017	3.0 -5.0%	1,595,700	-	(65,000)	1,530,700
2017 South High Track.....	12/12/2017	3.0 -5.0%	220,000	-	(20,000)	200,000
2017 Cabot School Construction.....	12/12/2017	3.0 -5.0%	17,773,300	-	(384,000)	17,389,300
2017 Fire Station 3/HQ Construction.....	12/12/2017	3.0 -5.0%	1,415,000	-	(90,000)	1,325,000
2017 Traffic Signal Improvements.....	12/12/2017	3.0 -5.0%	880,000	-	(80,000)	800,000
2017 Intersection Improvements.....	12/12/2017	3.0 -5.0%	275,000	-	(25,000)	250,000
Fire Ladder #2 Replacement.....	2/27/2019	3.0 -5.0%	795,000	-	(135,000)	660,000
DPW Gradall Truck.....	2/27/2019	3.0 -5.0%	220,000	-	(20,000)	200,000
Parks Department Bucket Truck.....	2/27/2019	3.0 -5.0%	140,000	-	(25,000)	115,000
McGrath Park Tennis Courts.....	2/27/2019	3.0 -5.0%	165,000	-	(15,000)	150,000
Parks Department Trash Trucks.....	2/27/2019	3.0 -5.0%	145,000	-	(15,000)	130,000
DPW Backhoe.....	2/27/2019	3.0 -5.0%	100,000	-	(15,000)	85,000
Front End Loader.....	2/27/2019	3.0 -5.0%	70,000	-	(10,000)	60,000
Carr School AC Installation.....	2/27/2019	3.0 -5.0%	240,000	-	(20,000)	220,000
Crafts Street Garage Roof.....	2/27/2019	3.0 -5.0%	255,000	-	(15,000)	240,000
Newton Library Interior Improvements.....	2/27/2019	3.0 -5.0%	395,000	-	(35,000)	360,000

(continued)

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Bonds Payable – Governmental Funds (Continued)**

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2022	Issued	Redeemed	Outstanding June 30, 2023
Cabot Elementary School.....	2/27/2019	3.0 -5.0%	4,490,000	-	(170,000)	4,320,000
Bigelow Boiler Replacement.....	2/27/2020	2.0-5.0%	860,000	-	(70,000)	790,000
West Newton Square Improvements.....	2/27/2020	2.0-5.0%	4,850,000	-	(375,000)	4,475,000
Lincoln-Eliot Window Replace & Acc. Impro	2/27/2020	2.0-5.0%	1,170,000	-	(90,000)	1,080,000
F.A. Day Boiler Replacement.....	2/27/2020	2.0-5.0%	650,000	-	(50,000)	600,000
Early Childhood Program Renovation.....	2/27/2020	2.0-5.0%	3,850,000	-	(80,000)	3,770,000
City Parking Meter Heads & Kiosks.....	2/27/2020	2.0-5.0%	775,000	-	(60,000)	715,000
Walnut St & Austin St Rehabilitation Project.	2/27/2020	2.0-5.0%	3,510,000	-	(270,000)	3,240,000
Webster Woods Land Acquisition.....	2/10/2022	2.0-5.0%	13,808,000	-	(290,000)	13,518,000
Early Childhood Program Renovation.....	2/10/2022	2.0-5.0%	8,330,600	-	(280,600)	8,050,000
Oak Hill Middle School.....	2/10/2022	2.0-5.0%	2,808,500	-	(103,500)	2,705,000
Swap Loader Truck.....	2/10/2022	2.0-5.0%	537,584	-	(57,584)	480,000
Cabot Elementary.....	2/10/2022	2.0-5.0%	950,000	-	(20,000)	930,000
Cabot Elementary II.....	2/10/2022	2.0-5.0%	1,128,316	-	(23,316)	1,105,000
Lincoln Eliot School.....	2/09/2023	2.0-5.0%	-	5,000,000	-	5,000,000
Library Parking Lot.....	2/09/2023	2.0-5.0%	-	1,453,298	-	1,453,298
New Cal Construction.....	2/09/2023	2.0-5.0%	-	3,020,097	-	3,020,097
Radio Infrastructure.....	2/09/2023	2.0-5.0%	-	147,305	-	147,305
			<u>292,576,863</u>	<u>9,620,700</u>	<u>(15,439,667)</u>	<u>286,757,896</u>
Unamortized Premiums.....			<u>14,236,983</u>	<u>912,437</u>	<u>(1,416,630)</u>	<u>13,732,790</u>
Total Governmental Funds.....			<u>\$ 306,813,846</u>	<u>\$ 10,533,137</u>	<u>\$ (16,856,297)</u>	<u>\$ 300,490,686</u>



**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Debt service requirements for principal and interest for Governmental bonds payable for future years is as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 15,985,367	\$ 9,974,197	\$ 25,959,564
2025	15,854,667	9,288,439	25,143,106
2026	15,101,867	8,668,704	23,770,571
2027	14,469,667	8,050,658	22,520,325
2028	14,169,667	7,464,075	21,633,742
2029	13,459,667	6,883,716	20,343,383
2030	13,485,667	6,331,714	19,817,381
2031	13,641,667	5,835,744	19,477,411
2032	13,751,667	5,363,792	19,115,459
2033	14,064,667	4,868,760	18,933,427
2034	14,061,667	4,413,611	18,475,278
2035	14,356,667	3,972,827	18,329,494
2036	13,386,667	3,544,970	16,931,637
2037	13,546,667	3,134,112	16,680,779
2038	13,181,667	2,717,215	15,898,882
2039	11,711,667	2,322,250	14,033,917
2040	7,696,667	1,960,098	9,656,765
2041	7,531,657	1,719,530	9,251,187
2042	7,385,000	1,477,320	8,862,320
2043	7,620,000	1,233,419	8,853,419
2044	7,850,000	982,750	8,832,750
2045	7,140,000	723,450	7,863,450
2046	6,485,000	507,050	6,992,050
2047	4,180,000	299,188	4,479,188
2048	3,035,000	166,369	3,201,369
2049	1,480,000	91,906	1,571,906
2050	1,335,000	53,738	1,388,738
2051	465,000	20,869	485,869
2052	325,000	8,663	333,663
Total	\$ <u>286,757,896</u>	\$ <u>102,079,134</u>	\$ <u>388,837,030</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Bonds Payable – Water Enterprise Fund**

	Date of Issue	Interest Rate (%)	Outstanding July 1, 2022	Issued	Redeemed	Outstanding June 30, 2023
MWRA Water*	8/20/2012	0.00	136,020	-	(136,020)	-
Water Mains	4/12/2013	2.0-4.0	1,485,000	-	(135,000)	1,350,000
Water Garage	4/12/2013	2.0-4.0	27,500	-	(5,000)	22,500
MWRA Water*	8/15/2013	0.00	272,040	-	(136,020)	136,020
MWRA Water*	11/17/2014	0.00	408,060	-	(136,020)	272,040
MWRA Water*	11/19/2015	0.00	544,080	-	(136,020)	408,060
MWRA Water*	11/19/2016	0.00	680,100	-	(136,020)	544,080
Water Main Improvements	1/25/2017	3.0-4.0	2,375,000	-	(60,000)	2,315,000
MWRA Lead*	5/15/2017	0.00	2,000,000	-	(400,000)	1,600,000
MWRA Water*	5/24/2018	0.00	816,120	-	(136,020)	680,100
Water Main	2/15/2019	3.0-5.0	1,920,000	-	(160,000)	1,760,000
Water Main	2/15/2019	3.0-5.0	2,640,000	-	(220,000)	2,420,000
MWRA Water*	12/24/2018	0.00	952,140	-	(136,020)	816,120
MWRA Water*	12/2/2019	0.00	1,088,160	-	(136,020)	952,140
Water Main Improvements	2/27/2020	2.0-5.0	2,702,000	-	(100,000)	2,602,000
MWRA Water*	8/9/2021	0.00	1,360,200	-	(136,020)	1,224,180
MWRA Water*	12/9/2021	0.00	2,083,700	-	(208,370)	1,875,330
Water Main Improvements	2/10/2022	2.0-5.0	2,890,000	-	(100,000)	2,790,000
Water Meter Replacement	2/9/2023	5.00	-	4,389,000	-	4,389,000
MWRA Water Main Improvements*	5/23/2023	0.00	-	2,083,700	-	2,083,700
Subtotal			\$ 24,380,120	\$ 6,472,700	\$ (2,612,550)	\$ 28,240,270
Unamortized Premium			829,823	611,000	(111,921)	1,328,902
Total Water			\$ 25,209,943	\$ 7,083,700	\$ (2,724,471)	\$ 29,569,172

\* Notes from direct borrowings

The Massachusetts Water Resources Authority (MWRA) offers water system rehabilitation and sanitary sewer infiltration and inflow reduction financial assistance programs to member communities in order to assist with the on-going maintenance of water and sewer system infrastructure. During the fiscal year ended June 30, 2023, the City was the recipient of \$2,083,700 in MWRA loans and \$3,255,000 in MWRA grants.

At June 30, 2023, the City had \$10,591,770 in MWRA water rehabilitation loans outstanding. Interest subsidies on these loans for the year ended June 30, 2023 totaled \$310,219.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Debt service requirements for future year principal and interest for water enterprise fund debt is as follows:

Fiscal Year Ending	Bonded Debt		Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	1,229,000	692,877	1,904,900	-	3,133,900	692,877
2025	1,240,000	638,303	1,768,880	-	3,008,880	638,303
2026	1,245,000	580,804	1,632,860	-	2,877,860	580,804
2027	1,255,000	524,004	1,496,840	-	2,751,840	524,004
2028	1,257,500	466,754	960,820	-	2,218,320	466,754
2029	1,270,000	407,329	824,800	-	2,094,800	407,329
2030	1,275,000	347,279	688,780	-	1,963,780	347,279
2031	1,280,000	292,229	552,760	-	1,832,760	292,229
2032	1,285,000	237,029	552,760	-	1,837,760	237,029
2033	1,292,000	186,429	208,370	-	1,500,370	186,429
2034	730,000	137,950	-	-	730,000	137,950
2035	355,000	116,775	-	-	355,000	116,775
2036	365,000	108,550	-	-	365,000	108,550
2037	375,000	99,944	-	-	375,000	99,944
2038	380,000	90,944	-	-	380,000	90,944
2039	385,000	81,725	-	-	385,000	81,725
2040	395,000	71,456	-	-	395,000	71,456
2041	210,000	60,881	-	-	210,000	60,881
2042	215,000	54,144	-	-	215,000	54,144
2043	220,000	47,206	-	-	220,000	47,206
2044	225,000	40,575	-	-	225,000	40,575
2045	225,000	33,650	-	-	225,000	33,650
2046	230,000	26,725	-	-	230,000	26,725
2047	235,000	19,625	-	-	235,000	19,625
2048	95,000	12,350	-	-	95,000	12,350
2049	95,000	9,975	-	-	95,000	9,975
2050	95,000	7,481	-	-	95,000	7,481
2051	95,000	4,988	-	-	95,000	4,988
2052	95,000	2,494	-	-	95,000	2,494
Total	\$ 17,648,500	\$ 5,400,475	\$ 10,591,770	\$ -	\$ 28,240,270	\$ 5,400,475

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Bonds Payable – Sewer Enterprise Fund**

	Date of	Interest	Outstanding		Outstanding	
	Issue	Rate (%)	July 1, 2022	Issued	Redeemed	June 30, 2023
MCWT Sewer*	7/03/2002	0.00	\$ 10,000	\$ -	\$ (10,000)	\$ -
Sewer system improvements	4/3/2012	2.0-3.0%	1,125,000	-	(115,000)	1,010,000
Sewer I& I removal	4/12/2013	2.0-4.0%	2,310,000	-	(210,000)	2,100,000
Water Garage	4/12/2013	2.0-4.0%	27,500	-	(5,000)	22,500
MWRA Sewer*	12/15/2014	0.00	275,100	-	(91,700)	183,400
Sewer vehicle	11/19/2015	4.0 -5.0%	270,000	-	(25,000)	245,000
MWRA Sewer*	1/20/2016	0.00	366,800	-	(91,700)	275,100
Sewer system improvements	12/12/2017	3.0 -5.0%	175,000	-	(22,000)	153,000
MWRA Sewer*	11/29/2018	0.00	801,500	-	(114,500)	687,000
MWRA Sewer*	8/19/2019	0.00	916,000	-	(114,500)	801,500
MWRA Sewer*	12/17/2020	0.00	4,122,000	-	(458,000)	3,664,000
Pump station rehab	2/9/2023	4.0 -5.0%	-	3,654,000	-	3,654,000
MWRA Sewer*	5/23/2023	0.00	-	1,085,000	-	1,085,000
Subtotal			\$ 10,398,900	\$ 4,739,000	\$ (1,257,400)	\$ 13,880,500
Unamortized Premium			55,910	473,000	(9,914)	518,996
Total Sewer			\$ 10,454,810	\$ 5,212,000	\$ (1,267,314)	\$ 14,399,496

\* Notes from direct borrowings

The MWRA’s sanitary sewer infiltration/inflow reduction financial assistance program provides financial assistance for eligible projects in the form of a combination of grants and five-year interest-free loans. At June 30, 2023, the City had \$6,696,000 in MWRA sewer infiltration/inflow reduction loans outstanding. Interest subsidies on these loans for the year ended June 30, 2023 totaled \$196,765.

Debt service requirements for future year principal and interest for sewer enterprise fund debt is as follows:

Fiscal Year	Bonded Debt		Direct Borrowings		Total		
	Ending	Principal	Interest	Principal	Interest	Principal	Interest
2024		621,000	278,891	978,900	-	1,599,900	278,891
2025		622,000	256,911	978,900	-	1,600,900	256,911
2026		627,000	234,962	887,200	-	1,514,200	234,962
2027		627,000	210,937	795,500	-	1,422,500	210,937
2028		619,500	186,912	795,500	-	1,415,000	186,912
2029		622,000	162,737	795,500	-	1,417,500	162,737
2030		621,000	138,337	681,000	-	1,302,000	138,337
2031		600,000	114,562	566,500	-	1,166,500	114,562
2032		565,000	91,312	108,500	-	673,500	91,312
2033		455,000	69,462	108,500	-	563,500	69,462
2034		245,000	50,650	-	-	245,000	50,650
2035		240,000	38,400	-	-	240,000	38,400
2036		240,000	28,800	-	-	240,000	28,800
2037		240,000	19,200	-	-	240,000	19,200
2038		240,000	9,600	-	-	240,000	9,600
Total		\$ 7,184,500	\$ 1,891,673	\$ 6,696,000	\$ -	\$ 13,880,500	\$ 1,891,673

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Bonds Payable – Stormwater Enterprise Fund**

	Date of Issue	Interest Rate (%)	Outstanding July 1, 2022	Issued	Redeemed	Outstanding June 30, 2023
Dedham St Drainage.....	1/20/2016	3.0 -5.0%	\$ 570,000	\$ -	\$ (30,000)	\$ 540,000
DPW Streetsweeper.....	1/25/2017	3.0 -5.0%	107,800	-	(20,000)	87,800
2017 Laundry Brook Drainage.....	12/12/2017	3.0 -5.0%	1,840,000	-	(115,000)	1,725,000
Forest Grove Pump Station.....	2/27/2019	3.0 -5.0%	260,000	-	(25,000)	235,000
Elgin Pelican Street Sweeper.....	2/27/2019	3.0 -5.0%	55,000	-	(10,000)	45,000
Hammond Brook Culvert Replacement.....	2/27/2019	3.0 -5.0%	240,000	-	(20,000)	220,000
Crafts Street Garage Interior Support Syster	2/27/2019	3.0 -5.0%	395,000	-	(35,000)	360,000
Library Parking Lot (STW).....	2/9/2023	5.0%	-	681,300	-	681,300
Subtotal.....			<u>3,467,800</u>	<u>681,300</u>	<u>(255,000)</u>	<u>3,894,100</u>
Unamortized Premium.....			317,964	93,305	(45,068)	366,201
Total Stormwater.....			\$ <u>3,785,764</u>	\$ <u>774,605</u>	\$ <u>(300,068)</u>	\$ <u>4,260,301</u>

Debt service requirements for future year principal and interest for stormwater enterprise fund debt is as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 326,300	\$ 167,545	493,845
2025	330,000	152,187	482,187
2026	332,800	136,237	469,037
2027	325,000	119,825	444,825
2028	305,000	103,825	408,825
2029	305,000	88,575	393,575
2030	290,000	73,325	363,325
2031	295,000	60,500	355,500
2032	295,000	48,050	343,050
2033	295,000	36,300	331,300
2034	235,000	25,000	260,000
2035	165,000	16,800	181,800
2036	165,000	10,700	175,700
2037	115,000	5,175	120,175
2038	<u>115,000</u>	<u>1,725</u>	<u>116,725</u>
Total	\$ <u>3,894,100</u>	\$ <u>1,045,769</u>	\$ <u>4,939,869</u>

Water, sewer, and stormwater debt is expected to be funded from water, sewer, and stormwater enterprise fund revenue.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Authorized and Unissued Debt**

At June 30, 2023 the City had a total of \$90,844,157 in authorized (by the City Council) and unissued debt, which is summarized as follows:

	<b>Authorized and Unissued Debt</b>			
	Beginning of Year	Increases	Decreases	End of Year
School improvements.....	\$ 2,123,581	\$ -	(167,055)	\$ 1,956,526
Water main improvement.....	21,953,300	-	(2,083,700)	19,869,600
Newton Early Childhood Program.....	3,766	-	-	3,766
Countryside Feasibility Study.....	1,250,000	-	-	1,250,000
Library Parking Lot.....	2,227,903	-	(2,227,903)	-
Meter System Replacement - Sewer.....	1,687,500	-	-	1,687,500
Meter System Replacement - Water....	8,312,500	-	(5,000,000)	3,312,500
Lincoln-Eliot School.....	49,300,000	-	(15,000,000)	34,300,000
Public Safety Radio Infrastructure.....	-	950,000	(950,000)	-
NewCal Construction.....	-	19,500,000	(3,020,097)	16,479,903
Pump Station Rehab projects 1&2.....	-	4,127,000	(4,127,000)	-
MWRA Sewer CIP 9.....	-	1,085,000	(1,085,000)	-
Franklin Feasibility Study.....	-	1,150,000	-	1,150,000
Gath Pool Phase 3.....	-	5,834,362	-	5,834,362
Athletic Fields Construction Phase III.	-	5,000,000	-	5,000,000
<b>Total.....</b>	<b>\$ 86,858,550</b>	<b>\$ 37,646,362</b>	<b>\$ (33,660,755)</b>	<b>\$ 90,844,157</b>

**Note 12 – Leases (Lessee)**

The City leases certain vehicles, equipment, and infrastructure for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028.

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 425,803	\$ 10,057	\$ 2,763	\$ 98	\$ 438,721
2025	304,693	5,030	2,819	41	312,583
2026	164,922	1,301	475	1	166,699
2027	25,027	266	-	-	25,293
2028	2,858	14	-	-	2,872
<b>Total minimum lease payments</b>	<b>\$ 923,303</b>	<b>\$ 16,668</b>	<b>\$ 6,057</b>	<b>\$ 140</b>	<b>\$ 946,168</b>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 13 – Landfill Closure and Post-closure Care Costs**

State and federal laws and regulations mandated that the City close its old landfill site when it ceases accepting waste and to perform certain maintenance and monitoring activities at the site after closure. On June 28, 1996 the City signed a consent agreement with the Commonwealth of Massachusetts’ Department of Environmental Protection that established a schedule for closure of the Rumford Avenue landfill. This landfill ceased operations in 1976 and was capped during 1998, which was in compliance with the consent agreement. The City has recorded a liability of \$496,792 at June 30, 2023 for future year landfill site monitoring and maintenance. Estimated costs per year total approximately \$64,000. The current estimate is based upon current costs and may require modification in future years due to price inflation, changes in technology or changes in state/federal law and regulations.

**Note 14 – Other Post Employment Benefits (OPEB)**

**A - General Information about the OPEB Plan**

*Plan Description* – The City provides health and life insurance coverage for its retirees and their survivors (hereinafter referred to as the “Plan”) as a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand-alone financial report.

The number of participants as of June 30, 2021, the latest actuarial valuation, is as follows:

Inactive plan members and beneficiaries currently receiving benefit payments.....	3,016
Active plan members.....	<u>2,503</u>
Total.....	<u><u>5,519</u></u>

**B – Benefits Provided**

The City provides health and life insurance coverage for its retirees and their survivors. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions.

**C – Contributions**

The contribution requirements of Plan members and the City are established and may be amended by the City. The required health insurance contribution rates of Plan members and the City are 25%/30% and 75%/70%, respectively. In addition, the City reimburses retirees and their spouses \$925 each per year for Medicare Part B premiums. The Plan members and City each contribute 50% towards a \$5,000 term life insurance premium. In addition to the City contributing money to the Plan to satisfy current obligations on a pay-as-you-go basis, the City contributed 3% of compensation for all employees enrolling in the City health plan on or after July 1, 2012. The costs of administering the Plan are paid by the City.

For the fiscal year ended June 30, 2023, employer contributions totaled \$28,797,610. The OPEB Trust Fund did not receive contributions from any other sources.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**D – OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB,**

The components of the net OPEB liability of the Plan as of June 30, 2023 were as follows:

Total OPEB liability.....	\$	706,718,057
Fiduciary Net Position.....		<u>(30,923,390)</u>
Net OPEB Liability.....	\$	<u><u>675,794,667</u></u>
 Fiduciary net position as a percentage of the total OPEB liability		4.38%

The OPEB trust fund reported in the fiduciary funds financial statements is reported using the flow of economic resources measurement focus and uses the accrual basis of accounting. Contributions are recognized as additions in the period when they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments and refunds are recognized as deductions when incurred.

At June 30, 2023, the City reported a liability of \$675,794,667 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was also determined by an actuarial valuation as of June 30, 2021 rolled forward to the measurement date.

The changes in the net OPEB liability for the measurement period are as follows:

	Amounts (in thousands)		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2022.....	\$ 692,373	25,374	666,999
Changes for the year:			
Service Cost.....	26,557	-	26,557
Interest of Liability and Service Cost .....	25,014	-	25,014
Changes of assumptions.....	(12,359)	-	(12,359)
Employer Contributions.....	-	28,798	(28,798)
Net Investment Income.....	-	1,618	(1,618)
Benefit Payments.....	<u>(24,866)</u>	<u>(24,866)</u>	<u>-</u>
Net Changes.....	<u>14,346</u>	<u>5,550</u>	<u>8,796</u>
 Balance at June 30, 2023.....	\$ <u><u>706,719</u></u>	<u><u>30,924</u></u>	<u><u>675,795</u></u>



**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

For the year ended June 30, 2023, the City recognized \$11,484,087 of OPEB expense associated with the Plan. At June 30, 2023, the City reported deferred outflows of resources related to OPEB of \$34,825,054 and deferred inflows of resources related to OPEB of \$173,338,908 from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ 12,386,935	\$ 35,065,850
Changes of assumptions.....	21,769,148	138,273,058
Net difference between projected and actual earnings on Plan investments..	<u>668,971</u>	<u>-</u>
	<u>\$ 34,825,054</u>	<u>\$ 173,338,908</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2024	\$ (27,360,075)
2025	(53,147,150)
2026	(53,940,601)
2027	(2,006,138)
2027	(2,059,890)

**Methods and Assumptions** – Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations, are based upon the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions used to measure the total OPEB liability as of the latest actuarial valuation are as follows:

Valuation date:	June 30, 2021
Inflation rate:	2.75%
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll
Remaining amortization period:	25 years from July 1, 2022
Salary increases:	7.00% decreasing to an ultimate level of 3.5% based on service-related increases for Group 1 (excluding Teachers) 8.00% decreasing to an ultimate level of 4.00% based on service-related increases for group 4 7.5% decreasing to an ultimate level of 4.00% based on service-related increases for Teachers
Interest discount rate:	3.65%
Investment rate of return:	6.90%
Healthcare/Medical cost trend rates:	Non-Medicare: 7.5% decreasing by 0.25% for 12 years to an ultimate level of 4.5% Medicare Supplement: 6.5% decreasing by 0.25% for 8 years to an ultimate level of 4.5% Medicare Advantage: 4.5% Administrative expenses: 3.0%
Contributions:	Non-Medicare: 7.5% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year Medicare Supplement: 6.5% decreasing by 0.25% for 8 years to an ultimate level of 4.5% per year. Medicare Advantage: 4.5%
Mortality:	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using scale MP-2021 Healthy Retiree (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Mortality: Disabled Retiree (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021

Pre-Retirement Retiree (Teachers): Pub-2010 Teacher Employee Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

Healthy Retiree (Teachers): Pub-2010 Teacher Healthy Retiree Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

Disabled Retiree (Teachers): Pub-2010 Teacher Healthy Retiree Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

**Investment Policies and Rates of Return** – The OPEB trust fund investments are in PRIT, an external investment pool that operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

For the fiscal year ended June 30, 2023, the money-weighted rate of return on the Trust Fund’s investments, net of investment expense, was 5.96%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity.....	20.5%	6.59%
International Equity - Developed Markets.	12.0%	6.87%
International Equity - Emerging Markets...	4.5%	8.30%
Core Fixed Income.....	15.0%	1.53%
High-Yield Fixed Income.....	8.0%	3.54%
Real Estate.....	10.0%	3.44%
Timber.....	4.0%	4.01%
Hedge Funds.....	10.0%	3.06%
Private Equity.....	16.0%	9.49%
	<u>100.0%</u>	

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2023 was 3.65%; compared to a discount rate of 3.54% to measure the total OPEB liability as of June 30, 2022. The discount rate is equal to the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher reported on the Bond Buyer’s 20 bond index. Based on the current assets in the OPEB Trust, there are insufficient assets to cover projected benefit payments. Accordingly, the Bond Buyer’s 20 bond index rates were applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the Plan and City calculated using the current discount rate of 3.65 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.65%)</u>	<u>Discount Rate</u> <u>(3.65%)</u>	<u>1% Increase</u> <u>(4.65%)</u>
Net OPEB Liability.....	\$ 782,959,628	\$ 675,794,667	\$ 588,916,808

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of the Plan and City calculated using the current healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend</u> <u>Rate</u>	<u>1% Increase</u>
Net OPEB Liability.....	\$ 572,247,204	\$ 675,794,667	\$ 808,867,822

**Note 15 – Risk Financing**

The City is exposed to various risks of loss related to general liability, property and casualty, workers’ compensation, unemployment, and employee health insurance claims. The City is self-insured for general liability risks, however, Chapter 258 of the Massachusetts General Laws limits the liability to a maximum of \$100,000 per claim in all matters except actions relating to federal civil rights, eminent domain, and breach of contract. The City is also self-insured for workers’ compensation and unemployment claims.

The City has medical plans with Tufts and Harvard-Pilgrim, under which it makes actual claims payments. The medical plan providers act as claims processors and a transfer of risk does not occur. City employees currently contribute between 20% and 30% of the cost of health care, and retirees contribute between 25% and 30% of their health care costs, and the remainder is funded by the City. The City purchased stop loss insurance for individual claims in excess of \$250,000 per year, which are incurred during the fiscal year and paid within eighteen months after June 30.

During the fiscal year ended June 30, 2012 the City implemented several changes in health care plan design for active employees and their dependents through the collective bargaining process. The changes include introduction of annual deductibles; increased co-payments, and an increase in health premium contributions for new employees from 20% to either 25% or 30%, depending upon bargaining unit.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

At June 30, 2023, the City's health claims liability totaled \$6,716,241 and is based on approximately one month claims paid average. Changes in the reported liability since July 1, 2021 are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2022.....	\$ 3,970,884	75,392,983	(74,396,260)	\$ 4,967,607
Fiscal year 2023.....	4,967,607	74,625,180	(72,876,546)	6,716,241

Workers' compensation claims are administered by the City's Personnel Department. The City contracts for an annual actuarial valuation of the program, and based on this study, has recorded a liability of \$10,741,081 at June 30, 2023, of which \$1,900,000 has been recorded as a current liability based upon the City's expectation that this amount will be paid within the fiscal year ending June 30, 2023. The liability includes an estimate of the IBNR claims.

The June 30, 2023 plan valuation is based upon the use of a combination of the paid loss development method and the Bornhuetter-Ferguson Paid Loss method. US Life Tables 2018 Vital Statistics for Males and Females have been used to determine annuity values for long term claims, using a 5.0% annual rate of interest.

Changes in the reported liability since July 1, 2021 are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2022.....	\$ 10,857,687	1,882,152	(1,886,580)	\$ 10,853,259
Fiscal year 2023.....	10,853,259	1,766,431	(1,878,609)	10,741,081

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 16 – Fund Balances**

The constraints on fund balances as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	<u>General</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Permanent fund principal.....	\$ -	\$ -	\$ 366,932	\$ 366,932
<b>Restricted:</b>				
Debt service.....	1,908,803	-	-	1,908,803
Capital.....	26,732	-	-	26,732
Community preservation.....	-	3,942,090	-	3,942,090
CPA- community housing.....	-	4,881,165	-	4,881,165
CPA- historic resources.....	-	871,616	-	871,616
CPA- community recreation.....	-	6,274,455	-	6,274,455
School lunch.....	-	-	1,662,656	1,662,656
Revolving.....	-	-	11,704,131	11,704,131
Receipts reserved.....	-	-	1,450,864	1,450,864
Affordable housing trust.....	-	-	1,948,056	1,948,056
Community Development Block Grant....	-	-	301,825	301,825
Municipal state grant.....	-	-	1,710,731	1,710,731
School state grant.....	-	-	3,614,640	3,614,640
School federal grant.....	-	-	116,349	116,349
Gift.....	-	-	1,605,950	1,605,950
Public building improvements.....	-	-	3,811,296	3,811,296
School building improvements.....	-	-	14,198,570	14,198,570
Street improvements.....	-	-	1,493,456	1,493,456
Municipal equipment replacement.....	-	-	2,962,048	2,962,048
Municipal permanent funds.....	-	-	203,208	203,208
Library Common permanent funds.....	-	-	1,928,811	1,928,811
Sub-total -	<u>1,935,535</u>	<u>15,969,326</u>	<u>48,712,591</u>	<u>66,617,452</u>
<b>Committed:</b>				
Subsequent year's expenditures.....	1,611,210	-	-	1,611,210
Capital.....	170,580	-	-	170,580
Continuing appropriations.....	18,349,928	-	-	18,349,928
Receipts reserved.....	-	-	4,165,867	4,165,867
Sub-total -	<u>20,131,718</u>	<u>-</u>	<u>4,165,867</u>	<u>24,297,585</u>
<b>Assigned:</b>				
Encumbrances.....	11,924,922	-	-	11,924,922
Capital.....	194,853	-	-	194,853
Sub-total -	<u>12,119,775</u>	<u>-</u>	<u>-</u>	<u>12,119,775</u>
<b>Unassigned.....</b>	<u>81,892,026</u>	<u>-</u>	<u>(1,738,991)</u>	<u>80,153,035</u>
<b>Total.....</b>	<u>\$ 116,079,054</u>	<u>\$ 15,969,326</u>	<u>\$ 51,506,399</u>	<u>\$ 183,554,779</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 17 – Stabilization Funds**

The City maintains capital and rainy day stabilization funds. Appropriations in and out of the stabilization funds require approval of the Mayor and City Council. Investment income is retained by the funds.

The balance of the capital and rainy day stabilization funds at June 30, 2023 total \$392,165 and \$24,719,403 respectively, and are reported in the general fund as restricted (\$26,732), committed (\$170,580), assigned (\$194,853) and unassigned (\$24,719,403).

**Note 18 - Donor Restricted Endowments**

Permanent Fund and Private Purpose Trust Fund donors have placed restrictions on the expenditure of certain Permanent Fund and Private Purpose Trust Fund endowments. Local policy prohibits the expenditure of unrealized gains and, as a result, only realized gains and investment income on all such funds is available for expenditure. Furthermore, the expenditure of investment income is restricted by individual donor trust agreements.

Amounts available for expenditure related to Permanent Funds are reported as expendable perpetual funds in the Statement of Net position and restricted fund balance in the Governmental Funds Balance Sheet. Amounts available for expenditure related to Private Purpose Trust Funds are reported as held in trust for other purposes in the Fiduciary Funds Statement of Fiduciary Net Position.

**Note 19 – Pension Plan (System)**

**A – Plan Description**

The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Newton Contributory Retirement Board (NCRB). Substantially all employees of the City are members of the System, except for public school teachers and certain school administrative personnel who are members of the MTRS. The System also covers eligible employees of the Newton Housing Authority.

At December 31, 2022, the System’s membership consisted of the following:

Active members.....	1,629
Inactive - entitled to or receiving benefits.....	50
Inactive - not entitled to or not receiving benefits.....	550
Retirees and beneficiaries currently receiving benefits.	<u>1,362</u>
Total members.....	<u><u>3,591</u></u>
Number of participating employers.....	<u><u>2</u></u>

The System is governed by a five member board comprised of the City Comptroller (ex officio); an appointee of the Mayor; two members elected by the active and retired members of the System, and one member appointed by the other four members.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**B – Benefits Provided**

The System provides retirement, disability and death benefits to plan members and beneficiaries, pursuant to Massachusetts General Law Chapter 32, up to a maximum of 80% of the average of a member’s three or five highest consecutive years’ regular compensation. In addition to regular compensation, benefits are based upon a member’s age, length of creditable service and group classification. Members become vested after ten years of creditable service. A normal retirement allowance may be received after the completion of 20 years of service or upon reaching age 55 or 60, with 10 years of service. Normal retirement for most employees occurs at age 65 or 67, except for certain hazardous duty and public safety employees who attain normal retirement at age 55 or 57. City employees with World War II military veteran status, at least 30 years of service to the City, and who began work prior to July 1, 1939, are entitled to a non-contributory pension benefit equal to 72% of their highest annual rate of regular compensation. Non contributory retirees are eligible for an annual cost of living adjustment of not more than 3% on the first \$12,000 of their annual retirement benefit.

A retirement allowance consists of two parts, an annuity and a pension. A member’s accumulated total retirement deductions, plus interest, constitutes the annuity. The difference between the total retirement benefit and the annuity is the pension.

**C - Contributions**

Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the System. In 1984 the City began funding the System on an actuarial reserve basis. This funding includes both current year service and the amortization of past service liability. It is the policy of the NCRB to contract for an annual actuarial valuation of the System to determine whether the contributions are sufficient to meet accruing liabilities and to demonstrate what adjustments, if any, are necessary on the basis of actual experience. Active member contribution rates are based upon date of hire: Prior to January 1, 1975 - 5% of regular compensation; January 1, 1975-December 31, 1984 - 7% of regular compensation; January 1, 1985-June 30, 1996 - 8% of regular compensation and July 1, 1996 to date - 9% of regular compensation. Members hired on or after January 1, 1979 contribute an additional 2% of annual regular compensation in excess of \$30,000.

For the year ended December 31, 2022, active member contributions totaled \$11,085,517 and employer contributions totaled \$40,847,226. Contributions to the System from the City were \$40,393,901.

**D – Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The components of the net pension liability of the System at December 31, 2022, were as follows:

Total pension liability	\$ 798,221,054
Plan fiduciary net position	<u>(473,820,817)</u>
Net pension liability	<u>\$ 324,400,237</u>
Plan fiduciary net position as a percentage of the total pension liability	59.36%

At June 30, 2023, the City reported a liability of \$320,800,024 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, rolled back to the measurement date. The City’s proportion of the net pension liability is the proportionate share of employer contributions to the System for the year ended December 31, 2022, actuarially determined. At December 31, 2022, the City’s proportion was 98.890194 percent; compared to a proportion of 98.900864 percent at December 31, 2021.



**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

For the year ended June 30, 2023, the City recognized pension expense of \$34,252,381 associated with the System. At June 30, 2023, the City reported deferred outflows of resources related to pensions of \$48,224,807, and deferred inflows of resources of \$2,169,915 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 4,909,126	\$ 2,027,153
Changes of assumptions.....	12,468,841	-
Net difference between projected and actual earnings on System investments.....	30,846,408	-
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	432	142,762
	<u>\$ 48,224,807</u>	<u>\$ 2,169,915</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2024	\$ 4,992,122
2025	10,195,312
2026	12,048,153
2027	18,819,305

**Actuarial Assumptions** – The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method:	Entry Age Normal
Amortization method:	Increasing payments 9.60% per year
Remaining amortization period:	7 years (closed)
Asset valuation method:	Sum of actuarial value at beginning of year, contributions and investment earnings based on actuarial interest assumption less benefit payments plus 25% of the market value at the end of the year in excess of that sum, plus additional adjustment toward market value as necessary so that final actuarial value is within 20% of market value
Investment rate of return:	6.90%, net of pension plan investment expense, including inflation
Inflation rate:	2.75% per year
Salary increases:	Ranging from 3.50% to 8.00% based upon years of service
Cost of living adjustment:	3.0% on the first \$12,000 in benefits

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Mortality rates:

Pre-Retirement - RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021

Healthy Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021

Disabled Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

**Investment Policies and Rates of Return** - Deposits and investments made by the System are governed by Chapter 32 of the MGL. The NCRB is responsible for the adoption of a formal asset allocation policy, the selection of professional investment managers to execute the investment policies, and the appointment of an investment consultant to assist with the evaluation of investment manager performance. All investment activities of the NCRB are subject to oversight by the Commonwealth of Massachusetts' Public Employee Retirement Administration Commission (PERAC).

For the year ended December 31, 2022, the annual money-weighted rate of return on System investments, net of investment expense, was -10.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The System's current funding schedule is based upon a 6.9% assumed rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	20.50%	6.59%
International Equity - Developed Markets	12.00%	6.87%
International Equity - Emerging Markets	4.50%	8.30%
Core Fixed Income	15.00%	1.53%
High-Yield Fixed Income	8.00%	3.54%
Real Estate	10.00%	3.44%
Timber	4.00%	3.35%
Hedge Funds	10.00%	3.06%
Private Equity	16.00%	9.49%
	100.00%	

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the System calculated using the discount rate of 6.90 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
System's net pension liability	\$ 413,200,241	\$ 324,400,237	\$ 249,584,866

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
City's proportionate share of the net pension liability	\$ 408,614,520	\$ 320,800,024	\$ 246,814,958

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 20 – Fiduciary Fund Financial Statements**

The City’s Pension Trust Fund and OPEB Trust Fund statements of fiduciary net position are as follows:

	Pension Trust Fund (As of 12/31/22)	OPEB Trust Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents.....	\$ 29,271,695	\$ 417,818	\$ 29,689,513
Investments:			
External Investment Pool.....	444,529,908	30,505,572	475,035,480
Receivables, Net of Allowance for Uncollectible Amounts:			
Intergovernmental.....	20,717	-	20,717
Prepaid Expenses.....	6,863	-	6,863
	<u>473,829,183</u>	<u>30,923,390</u>	<u>504,752,573</u>
Total Assets.....			
<b>LIABILITIES</b>			
Warrants Payable.....	8,366	-	8,366
	<u>8,366</u>	<u>-</u>	<u>8,366</u>
<b>NET POSITION</b>			
Restricted for Pensions and Other Post Employment Benefits. \$	<u>473,820,817</u>	<u>30,923,390</u>	<u>504,744,207</u>

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

The City's Pension Trust Fund and OPEB Trust Fund statements of changes in fiduciary net position are as follows:

	Pension Trust Fund <u>(As of 12/31/22)</u>	OPEB Trust Fund	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Employer.....	\$ 40,847,226	\$ 28,797,610	\$ 69,644,836
Plan Members.....	<u>11,085,517</u>	<u>-</u>	<u>11,085,517</u>
Total Contributions.....	<u>51,932,743</u>	<u>28,797,610</u>	<u>80,730,353</u>
Net Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(66,942,940)	1,617,693	(65,325,247)
Interest and Dividends.....	<u>12,450,188</u>	<u>-</u>	<u>12,450,188</u>
Total Investment Income (Loss).....	(54,492,752)	1,617,693	(52,875,059)
Less: Investment Expense.....	<u>(2,328,216)</u>	<u>-</u>	<u>(2,328,216)</u>
Net Investment Income (Loss).....	<u>(56,820,968)</u>	<u>1,617,693</u>	<u>(55,203,275)</u>
Other.....	<u>4,255,902</u>	<u>-</u>	<u>4,255,902</u>
Total Additions.....	<u>(632,323)</u>	<u>30,415,303</u>	<u>29,782,980</u>
<b>DEDUCTIONS</b>			
Administration.....	442,922	-	442,922
Retirement Benefits and Refunds.....	47,176,985	24,865,996	72,042,981
Transfers to Other Systems.....	<u>4,255,902</u>	<u>-</u>	<u>4,255,902</u>
Total Deductions.....	<u>51,875,809</u>	<u>24,865,996</u>	<u>76,741,805</u>
<b>CHANGE IN NET POSITION.....</b>	<b>(52,508,132)</b>	<b>5,549,307</b>	<b>(46,958,825)</b>
Net Position - Beginning of Year.....	<u>526,328,949</u>	<u>25,374,083</u>	<u>551,703,032</u>
<b>NET POSITION - END OF YEAR.....</b>	<b>\$ <u>473,820,817</u></b>	<b>\$ <u>30,923,390</u></b>	<b>\$ <u>504,744,207</u></b>

## CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### Note 21 – Pension Plan (Massachusetts Teachers Retirement System)

#### A - General Information about the Pension Plan

**Plan description** - Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth of Massachusetts' (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be obtained at <http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>.

**Benefits provided** - MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

**Contributions** - The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

#### B - Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Since the City does not contribute directly to MTRS, the City does not report a proportionate share of the net pension liability of the MTRS at June 30, 2023. The Commonwealth's net pension liability associated with the City was \$438,819,350.

The MTRS' net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$36,097,173 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

**Actuarial assumptions** - The MTRS' total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022. This valuation used the following assumptions:

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

Investment rate of return:	7.00%
Salary increases:	Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service
Mortality Rates:	Pre-retirement - reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct)  Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct)  Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct)
Other:	3.50% interest rate credited to the annuity savings fund  3.00% cost of living increase per year

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	38.00%	4.20%
Core Fixed Income	15.00%	0.50%
Private Equity	15.00%	7.30%
Portfolio Completion Strategies	10.00%	2.70%
Real Estate	10.00%	3.30%
Value Added Fixed Income	8.00%	3.70%
Timber/Natural Resources	4.00%	3.90%
Totals	100.00%	

**Discount rate** - The discount rate used to measure the MTRS’ total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension plan fiduciary net position** - Detailed information about the MTRS’ fiduciary net position is available in the Commonwealth’s audited financial statements.

**CITY OF NEWTON, MASSACHUSETTS**

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

**Note 22 – Commitments and Contingencies**

Significant commitments include the continuing appropriations and encumbrances outstanding for the general fund and CPA fund, for which outstanding balances at June 30, 2023, totaled \$30,274,850 and \$22,258,388, respectively.

The City participates in a number of state and federal award programs. These programs are still subject to separate financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although it is expected such amounts, if any, will be immaterial.

Various additional legal actions and claims are pending. Litigation is subject to many uncertainties and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any at June 30, 2023 cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2023.



## **Required Supplementary Information**

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**PENSION PLAN SCHEDULES**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
(SYSTEM) (A)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total pension liability</u>					
Service cost	\$ 17,358,280	\$ 15,606,428	\$ 15,121,201	\$ 14,914,124	\$ 14,270,532
Interest	52,922,345	52,614,956	50,505,012	48,859,873	47,371,930
Differences between expected and actual experience	1,896,693	(3,416,505)	7,695,347	1,843,627	(445,198)
Changes of assumptions	-	20,989,758	37,295	-	-
Benefit payments, including refunds of member contributions	<u>(47,176,985)</u>	<u>(45,382,030)</u>	<u>(44,100,796)</u>	<u>(42,165,467)</u>	<u>(40,469,534)</u>
Net change in total pension liability	25,000,333	40,412,607	29,258,059	23,452,157	20,727,730
Total pension liability - beginning	<u>773,220,721</u>	<u>732,808,114</u>	<u>703,550,055</u>	<u>680,097,898</u>	<u>659,370,168</u>
Total pension liability - ending (a)	<u>\$ 798,221,054</u>	<u>\$ 773,220,721</u>	<u>\$ 732,808,114</u>	<u>\$ 703,550,055</u>	<u>\$ 680,097,898</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 40,847,226	\$ 37,269,367	\$ 32,515,631	\$ 31,793,327	\$ 28,628,399
Contributions - member	11,085,517	11,357,250	11,415,653	10,671,799	10,065,686
Net investment income	(56,820,968)	83,678,897	45,564,922	52,933,716	(7,235,473)
Benefit payments, including refunds of member contributions	(47,176,985)	(45,382,030)	(44,100,796)	(42,165,467)	(40,469,536)
Administrative expense	(442,922)	(255,503)	(410,977)	(399,933)	(325,392)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Net change in plan fiduciary net position	(52,508,132)	86,667,981	44,984,433	52,833,440	(9,336,316)
Plan fiduciary net position - beginning	<u>526,328,949</u>	<u>439,660,968</u>	<u>394,676,535</u>	<u>341,843,095</u>	<u>351,179,411</u>
Plan fiduciary net position - ending (b)	<u>\$ 473,820,817</u>	<u>\$ 526,328,949</u>	<u>\$ 439,660,968</u>	<u>\$ 394,676,535</u>	<u>\$ 341,843,095</u>
Net pension liability - ending (a) - (b)	<u>\$ 324,400,237</u>	<u>\$ 246,891,772</u>	<u>\$ 293,147,146</u>	<u>\$ 308,873,520</u>	<u>\$ 338,254,803</u>
Plan fiduciary net position as a percentage of the total pension liability	59.36%	68.07%	60.00%	56.10%	50.26%
Covered payroll	\$ 116,871,238	\$ 111,990,380	\$ 107,216,124	\$ 102,912,637	\$ 100,614,192
Net pension liability as a percentage of covered payroll	277.57%	220.46%	273.42%	300.13%	336.19%

(A) - Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**PENSION PLAN SCHEDULES (CONTINUED)**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
(SYSTEM) (CONTINUED) (A)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total pension liability</u>				
Service cost	\$ 14,020,532	\$ 12,238,508	\$ 11,948,894	\$ 10,445,973
Interest	46,282,670	44,357,326	43,307,330	41,588,936
Differences between expected and actual experience	(3,594,215)	6,942,661	(3,992,229)	2,350,371
Changes of assumptions	7,169,261	-	-	25,943,483
Benefit payments, including refunds of member contributions	<u>(40,367,473)</u>	<u>(37,883,262)</u>	<u>(36,652,624)</u>	<u>(35,872,446)</u>
Net change in total pension liability	23,510,775	25,655,233	14,611,371	44,456,317
Total pension liability - beginning	<u>635,859,393</u>	<u>610,204,160</u>	<u>595,592,789</u>	<u>551,136,472</u>
Total pension liability - ending (a)	<u>\$ 659,370,168</u>	<u>\$ 635,859,393</u>	<u>\$ 610,204,160</u>	<u>\$ 595,592,789</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	\$ 25,829,131	\$ 23,566,725	\$ 21,670,552	\$ 19,972,859
Contributions - member	9,457,254	9,282,992	8,842,379	8,661,238
Net investment income	50,390,107	20,972,368	2,146,925	20,748,803
Benefit payments, including refunds of member contributions	(40,367,473)	(37,883,262)	(36,652,624)	(35,872,446)
Administrative expense	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	45,309,019	15,938,823	(3,992,768)	13,510,454
Plan fiduciary net position - beginning	<u>305,870,392</u>	<u>289,931,569</u>	<u>293,924,337</u>	<u>280,413,883</u>
Plan fiduciary net position - ending (b)	<u>\$ 351,179,411</u>	<u>\$ 305,870,392</u>	<u>\$ 289,931,569</u>	<u>\$ 293,924,337</u>
Net pension liability - ending (a) - (b)	<u>\$ 308,190,757</u>	<u>\$ 329,989,001</u>	<u>\$ 320,272,591</u>	<u>\$ 301,668,452</u>
Plan fiduciary net position as a percentage of the total pension liability	53.26%	48.10%	47.51%	49.35%
Covered payroll	\$ 96,567,809	\$ 94,881,278	\$ 92,136,867	\$ 86,807,549
Net pension liability as a percentage of covered payroll	319.14%	347.79%	347.61%	347.51%

**(A)** - Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**PENSION PLAN SCHEDULES (CONTINUED)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 40,847,226	37,269,367	32,515,631	31,026,365	28,628,399
Contributions in relation to the actuarially determined contribution	<u>40,847,226</u>	<u>37,269,367</u>	<u>32,515,631</u>	<u>31,793,327</u>	<u>28,628,399</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>(766,962)</u>	<u>-</u>
Covered payroll	\$ 116,871,238	111,990,380	107,216,124	102,912,637	100,614,192
Contributions as a percentage of covered payroll	34.95%	33.28%	30.33%	30.89%	28.45%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 25,829,131	23,566,725	21,670,552	19,972,859	18,363,516
Contributions in relation to the actuarially determined contribution	<u>25,829,131</u>	<u>23,566,725</u>	<u>21,670,552</u>	<u>19,972,859</u>	<u>18,363,516</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 96,567,809	94,881,278	92,136,867	86,807,549	86,807,549
Contributions as a percentage of covered payroll	26.75%	24.84%	23.52%	23.01%	21.15%

**SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (A)**

<u>Year-Ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2022	-10.8%
2021	19.1%
2020	11.6%
2019	15.6%
2018	-2.1%
2017	16.1%
2016	6.8%
2015	0.7%
2014	7.5%

(A) - Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**PENSION PLAN SCHEDULES (CONTINUED)**

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SYSTEM) (A)**

	2023*	2022*	2021*	2020*	2019*
City's proportion of the net pension liability	98.890194%	98.900864%	98.937366%	98.977308%	98.979073%
City's proportionate share of the net pension liability	320,800,024	244,178,096	290,032,065	305,714,695	334,801,480
City's covered payroll	114,741,713	109,932,633	105,251,144	101,261,817	98,995,159
City's proportionate share of net pension liability as percentage of covered payroll	279.58%	222.12%	275.56%	301.91%	338.20%
Plan fiduciary net position as a percentage of the total pension liability	59.36%	68.07%	60.00%	56.10%	50.26%
	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	
City's proportion of the net pension liability	99.008917%	98.993848%	99.000556%	99.026264%	
City's proportionate share of the net pension liability	305,136,331	326,668,811	317,071,646	298,730,998	
City's covered payroll	95,190,276	93,926,628	90,939,864	85,643,310	
City's proportionate share of net pension liability as percentage of covered payroll	320.55%	347.79%	348.66%	348.81%	
Plan fiduciary net position as a percentage of the total pension liability	53.26%	48.10%	47.51%	49.35%	

\*The amounts presented were determined as of December 31 of the previous calendar year.

**SCHEDULE OF CITY'S CONTRIBUTIONS (SYSTEM) (A)**

	2023*	2022*	2021*	2020*	2019*
Actuarially Required Contribution	\$ 40,393,901	\$ 36,859,726	\$ 32,170,109	\$ 30,709,061	\$ 28,336,124
Contributions in Relation to the Actuarially Required Contribution	40,393,901	36,859,726	32,170,109	31,476,023	28,336,124
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (766,962)</u>	<u>\$ -</u>
City's Covered Payroll	\$ 114,741,713	\$ 109,932,633	\$ 105,251,144	\$ 101,261,817	\$ 98,995,159
Contributions as a Percentage of Covered Payroll	35.20%	33.53%	30.57%	31.08%	28.62%
	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	
Actuarially Required Contribution	\$ 25,573,143	\$ 23,329,608	\$ 21,453,967	\$ 19,778,376	
Contributions in Relation to the Actuarially Required Contribution	25,573,143	23,329,608	21,453,967	19,778,376	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll	\$ 95,190,276	\$ 93,926,628	\$ 90,939,864	\$ 85,643,310	
Contributions as a Percentage of Covered Payroll	26.87%	24.84%	23.59%	23.09%	

\*The amounts presented were determined as of December 31 of the previous calendar year.

**(A)** – Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**PENSION PLAN SCHEDULES (CONTINUED)**

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (MTRS) (A)**

	2023*	2022*	2021*	2020*	2019*
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth's proportionate share of the net pension liability associated with the City	438,819,350	392,681,102	480,181,789	422,172,622	395,023,946
<b>Total</b>	<b>\$438,819,350</b>	<b>\$392,681,102</b>	<b>\$480,181,789</b>	<b>\$422,172,622</b>	<b>\$ 395,023,946</b>
City's covered payroll	139,520,592	134,128,101	127,456,450	121,845,437	\$ 116,999,122
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	57.75%	62.03%	50.67%	53.95%	54.84%
	2018*	2017*	2016*	2015*	
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	
City's proportionate share of the net pension liability	-	\$ -	\$ -	\$ -	
Commonwealth's proportionate share of the net pension liability associated with the City	383,939,326	375,785,250	337,530,133	260,194,376	
<b>Total</b>	<b>383,939,326</b>	<b>\$375,785,250</b>	<b>\$337,530,133</b>	<b>\$260,194,376</b>	
City's covered payroll	113,921,033	110,555,252	104,421,833	100,361,397	
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	
Plan fiduciary net position as a percentage of the total pension liability	54.25%	52.73%	55.38%	61.64%	

\*The amounts presented were determined as of June 30 of the previous calendar year.

**SCHEDULE OF CITY'S CONTRIBUTIONS (MTRS) (A)**

	2023*	2022*	2021*	2020*	2019*
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
City's covered payroll	\$ 139,520,592	\$ 134,128,101	\$ 127,456,450	\$ 121,845,437	\$ 116,999,122
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
	2018*	2017*	2016*	2015*	
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	
Contributions in relation to the contractually required contribution	-	-	-	-	
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
City's covered payroll	\$ 113,921,033	110,555,252	104,421,833	100,361,397	
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	

\*The amounts presented were determined as of June 30 of the previous calendar year.

**(A)** - Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULES**

The following schedule provides information related to the City's other postemployment benefits plan:

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (PLAN) (A)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total OPEB liability</u>							
Service cost	\$ 26,556,969	\$ 36,526,789	\$ 34,943,621	\$ 27,510,636	\$ 23,978,991	\$ 25,272,995	\$ 30,190,353
Interest	25,013,807	20,439,075	20,038,679	25,052,440	25,376,516	23,594,722	20,240,435
Differences between expected and actual experience	-	(57,982,759)	-	61,934,673	(1,415,423)	-	-
Changes of assumptions	(12,359,342)	(204,565,623)	7,509,389	93,826,961	28,081,870	(28,013,342)	(76,049,934)
Plan Amendments	-	-	-	-	4,486,261	-	-
Benefit payments	<u>(24,865,997)</u>	<u>(23,417,962)</u>	<u>(25,664,824)</u>	<u>(24,103,703)</u>	<u>(23,631,538)</u>	<u>(22,211,248)</u>	<u>(19,017,966)</u>
Net change in total OPEB liability	14,345,437	(229,000,480)	36,826,865	184,221,007	56,876,677	(1,356,873)	(44,637,112)
Total OPEB liability - beginning	<u>692,372,620</u>	<u>921,373,100</u>	<u>884,546,235</u>	<u>700,325,228</u>	<u>643,448,551</u>	<u>644,805,424</u>	<u>689,442,536</u>
Total OPEB liability - ending (a)	<u>\$ 706,718,057</u>	<u>\$ 692,372,620</u>	<u>\$ 921,373,100</u>	<u>\$ 884,546,235</u>	<u>\$ 700,325,228</u>	<u>\$ 643,448,551</u>	<u>\$ 644,805,424</u>
<u>Plan fiduciary net position</u>							
Contributions - employer	\$ 28,797,610	\$ 26,990,322	\$ 28,884,619	\$ 26,979,660	\$ 26,148,831	\$ 24,328,980	\$ 20,872,070
Net investment income	1,617,693	(1,087,129)	4,741,129	235,100	598,414	604,735	554,860
Benefit payments	<u>(24,865,996)</u>	<u>(23,417,962)</u>	<u>(25,664,824)</u>	<u>(24,103,703)</u>	<u>(23,631,539)</u>	<u>(22,211,248)</u>	<u>(19,017,966)</u>
Net change in plan fiduciary net position	5,549,307	2,485,231	7,960,924	3,111,057	3,115,706	2,722,467	2,408,964
Plan fiduciary net position - beginning	<u>25,374,083</u>	<u>22,888,852</u>	<u>14,927,928</u>	<u>11,816,871</u>	<u>8,701,165</u>	<u>5,978,698</u>	<u>3,569,734</u>
Plan fiduciary net position - ending (b)	<u>\$ 30,923,390</u>	<u>\$ 25,374,083</u>	<u>\$ 22,888,852</u>	<u>\$ 14,927,928</u>	<u>\$ 11,816,871</u>	<u>\$ 8,701,165</u>	<u>\$ 5,978,698</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 675,794,667</u>	<u>\$ 666,998,537</u>	<u>\$ 898,484,248</u>	<u>\$ 869,618,307</u>	<u>\$ 688,508,357</u>	<u>\$ 634,747,386</u>	<u>\$ 638,826,726</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.38%	3.66%	2.48%	1.69%	1.69%	1.35%	0.93%
Covered payroll	\$ 360,219,993	\$ 333,630,353	\$ 309,003,427	\$ 286,194,338	\$ 265,068,902	\$ 245,502,840	\$ 227,381,047
Net OPEB liability as a percentage of covered payroll	187.61%	199.92%	290.77%	303.86%	259.75%	258.55%	280.95%

(A) – Data is accumulating annually to present 10 years of the reported information.

**CITY OF NEWTON, MASSACHUSETTS**

Required Supplementary Information

Fiscal Year Ended June 30, 2023

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULES (CONTINUED)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (PLAN) (A)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Required Contribution	\$ 39,607,046	\$ 37,797,960	\$ 37,545,986	\$ 35,930,738	\$ 35,614,447
Contributions in Relation to the Actuarially Required Contribution	<u>28,797,610</u>	<u>26,990,322</u>	<u>28,884,619</u>	<u>26,979,660</u>	<u>26,148,831</u>
Contribution Deficiency (Excess)	<u>\$ 10,809,436</u>	<u>\$ 10,807,638</u>	<u>\$ 8,661,367</u>	<u>\$ 8,951,078</u>	<u>\$ 9,465,616</u>
City's Covered Payroll	\$ 360,219,993	\$ 333,630,353	\$ 309,003,427	\$ 286,194,338	\$ 265,068,902
Contributions as a Percentage of Covered Payroll	7.99%	8.09%	9.35%	9.43%	9.86%
Actuarially Required Contribution	<u>2018</u>	<u>2017</u>			
Contributions in Relation to the Actuarially Required Contribution	<u>24,328,980</u>	<u>20,872,070</u>			
Contribution Deficiency (Excess)	<u>\$ 33,900,292</u>	<u>\$ 55,094,130</u>			
City's Covered Payroll	<u>\$ 9,571,312</u>	<u>\$ 34,222,060</u>			
Contributions as a Percentage of Covered Payroll	\$ 245,502,840	\$ 227,381,047			
	9.91%	9.18%			

**SCHEDULE OF INVESTMENT RETURNS (PLAN) (A)**

<u>Year-Ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2023	5.96%
2022	-4.43%
2021	29.02%
2020	1.79%
2019	6.14%
2018	9.00%
2017	15.93%

**(A)** – Data is accumulating annually to present 10 years of the reported information.



**CITY OF NEWTON, MASSACHUSETTS**

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2023

**Note A – Methods and Assumptions Used in Calculations of Actuarially Determined Contributions (Pension Plan)**

The actuarially determined contribution rates in the schedules of contributions are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in those schedules:

Actuarial cost method (2013-2022):	Entry Age Normal
Amortization method (2013):	Payment increases 8.50% per year
Amortization method (2014):	Payment increases 8.75% per year
Amortization method (2015-2022)	Payment increases 9.60% per year
Remaining amortization period (2013):	15 years
Remaining amortization period (2014):	14 years
Remaining amortization period (2015-2016):	13 years
Remaining amortization period (2017):	12 years
Remaining amortization period (2018):	11 years
Remaining amortization period (2019):	10 years
Remaining amortization period (2020):	9 years
Remaining amortization period (2021):	8 years
Remaining amortization period (2022):	7 years
Asset valuation method (2013-2022):	Sum of actuarial value at beginning of year, contributions and investment earnings based on actuarial interest assumption less benefit payments plus 25% of the market value at the end of the year in excess of that sum, plus additional adjustment toward market value as necessary so that final actuarial value is within 20% of market value
Inflation (2013):	2.0 – 2.5%
Inflation (2014-2017):	2.5%
Inflation (2018-2022):	2.75%
Salary increases (2013):	3.0 – 3.5%
Salary increases (2014-2016):	3.5%
Salary increases (2017-2022):	3.5 – 8.0%
Investment rate of return (2013-2015):	7.35%
Investment rate of return (2016):	7.50%
Investment rate of return (2017-2020):	7.25%
Investment rate of return (2021-2022):	6.90%

**CITY OF NEWTON, MASSACHUSETTS**

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2023

**Note B – Methods and Assumptions Used in Calculations of Actuarially Determined Contributions (OPEB Plan)**

The actuarially determined contribution rates in the schedules of contributions are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in those schedules:

Actuarial cost method (2017-2023):	Entry Age Normal
Amortization method (2017-2019):	Level dollar
Amortization method (2020-2023):	Level percentage of payroll
Remaining amortization period (2017-2019):	30 years
Remaining amortization period (2020):	28 years
Remaining amortization period (2021):	27 years
Remaining amortization period (2022):	26 years
Remaining amortization period (2023):	25 years
Interest discount rate (2017-2018):	2.06%
Interest discount rate (2019):	3.50%
Interest discount rate (2020):	2.21%
Interest discount rate (2021):	2.16%
Interest discount rate (2022):	3.54%
Interest discount rate (2023):	3.65%
Healthcare/Medical cost trend rate (2017-2018):	8.39% in 2016 graded down to 6.08% in 2021 and thereafter.
Healthcare/Medical cost trend rate (2019):	7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%
Healthcare/Medical cost trend rate (2020-2023):	7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50%

# **Combining and Individual Fund Statements and Schedules**

# Nonmajor Governmental Funds

## *Special Revenue Funds*

### School Lunch Fund:

This fund is used to account for the operations of the Newton Public School Department's student lunch program. Revenues are generated from the sale of lunches, state and federal reimbursement grants, and investment income. A formal budget is not adopted for this fund; however, expenditures cannot exceed revenues plus the beginning fund balance. Any difference between fund revenues and expenditures is financed with a transfer from the School Department's general fund operating budget. It is the policy of the Newton Public school department to subsidize all fund employee benefit costs.

### Revolving Fund

The Revolving Fund is used to account for a variety of municipal functions that are expected to be self-supporting, such as departmental private duty details. All revolving funds, except for damage recoveries of less than \$20,000; private duty details and assignments; wetlands protection and development review activities; and police asset forfeitures are authorized annually by vote of the City Council under Massachusetts General Law Chapter 44, Section 53E 1/2. Fund expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the City Council.

### Receipts Reserved Fund

This fund is used to account for a variety of local revenues whose use is either legally restricted by state law, or has been restricted by vote of the City's City Council, for specific purposes and can only be spent with the prior appropriation of the City Council. The fund is used to account for proceeds from the sale of surplus real estate, parking meter receipts, development mitigation funds, and revenues generated from cable television license agreements and the sale of recyclable materials. No expenditures can be made directly from the fund; rather, resources are appropriated and transferred to the City's general fund for expenditure.

### Affordable Housing Trust Fund

This fund is used to account for activities of the City's affordable housing program. Funding for the Trust primarily comes from the City's Community Preservation Act Funds.

### Community Development Block Grant Fund

This fund is used to account for activities undertaken with federal Community Development Block Grant funds. The Mayor and City Council approve each year's grant budget. This is a reimbursement grant.

### Municipal Federal Grant Fund

This fund is used to account for a variety of categorical municipal federal grants. The City Council approve annual grant budgets and grant budget obligations are generally limited to the lesser of actual available resources or the annual spending limit authorized by the Council.

### Municipal State Grant Fund

This fund is used to account for municipal state grants. The City Council approve annual grant budgets and grant budget obligations are limited to the lesser of actual available resources or the annual spending limit authorized by the Council.

### School State Grant Fund

This fund is used to account for all categorical public education state grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

#### School Federal Grant Fund

This fund is used to account for all public education federal grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

#### Gift Fund

This fund is used to account for private gifts and donations that are unrelated to any other fund. Expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the City Council and School Committee.

### ***Capital Projects Funds***

#### Public Building Improvements Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of buildings (and related fields and facilities) other than school-related projects. Financing is generally derived from the issuance of bonds or notes. City Council appropriations are for the term of the projects. The Public Building Commissioner is responsible for all projects accounted for in this fund. A separate sub-fund is maintained within the fund for each major capital project.

#### School Building Improvements Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of school-related buildings (and related fields and facilities). Financing is generally derived from the issuance of bonds or notes. City Council appropriations are for the term of the project. The Public Building Commissioner is responsible for all projects accounted for in this fund. A separate sub-fund is maintained within the fund for each major capital project.

#### Street Improvements Fund

This fund is used to account for the revenues and expenditures of the Commonwealth of Massachusetts Chapter 90 highway construction grant funds and state construction grant for certain road and intersection improvements. Grant budgets are recorded based upon annual grant awards from the Commonwealth, City Council authorization of annual spending authority, and approval of specific construction projects by the Massachusetts Highway Department. Chapter 90 highway construction grants are paid to the City on a reimbursement basis. The City finances grant expenditures internally until reimbursements are received from the Commonwealth. Grant revenue is recognized when approved expenditures are incurred and submitted to the Commonwealth for reimbursement.

#### Municipal Equipment Replacement Fund

This fund is used to account for the acquisition of public safety and public works motor equipment, financed with the issuance of debt.

### ***Permanent Funds***

#### Municipal Fund

This fund is used to account for a variety of municipal purposes. A detailed report may be obtained from the Comptroller's Office.

#### Library Common Fund

This fund is used to account for the purchase of library supplies and materials and the enhancement of public library services in Newton. The Newton Library Board of Trustees maintains custody of fund assets.

**CITY OF NEWTON, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2023

<i>Special Revenue Funds</i>					
ASSETS	School Lunch	Revolving	Receipts Reserved	Affordable Housing Trust	Community Development Block Grant
Cash and cash equivalents.....	\$ -	\$ -	\$ 4,165,867	\$ -	\$ -
Restricted cash and cash equivalents.....	2,169,324	12,719,162	1,450,864	1,948,056	398,629
Restricted investments.....	-	-	-	-	-
Interest and dividends.....	-	-	-	-	-
Receivables, net of allowance for uncollectible amounts:					
Special assessments.....	-	202,011	-	-	-
Departmental and other.....	-	747,071	4,000	-	-
Intergovernmental.....	166,594	-	-	-	-
Other assets.....	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 2,335,918</b>	<b>\$ 13,668,244</b>	<b>\$ 5,620,731</b>	<b>\$ 1,948,056</b>	<b>\$ 398,629</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 450,430	\$ 160,009	\$ -	\$ -	\$ 84,370
Accrued liabilities.....	-	61,449	-	-	125
Accrued payroll.....	-	240,176	-	-	8,479
Other liabilities.....	222,832	750,837	-	-	3,830
Due to other funds.....	-	606,474	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>673,262</b>	<b>1,818,945</b>	<b>-</b>	<b>-</b>	<b>96,804</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	-	145,168	4,000	-	-
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	-	-
Restricted.....	1,662,656	11,704,131	1,450,864	1,948,056	301,825
Committed.....	-	-	4,165,867	-	-
Unassigned.....	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>1,662,656</b>	<b>11,704,131</b>	<b>5,616,731</b>	<b>1,948,056</b>	<b>301,825</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 2,335,918</b>	<b>\$ 13,668,244</b>	<b>\$ 5,620,731</b>	<b>\$ 1,948,056</b>	<b>\$ 398,629</b>

*Special Revenue Funds*

	Municipal Federal Grant	Municipal State Grant	School State Grant	School Federal Grant	Gift	Sub-total
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 4,165,867
	23,202	1,768,361	3,552,082	57,402	1,614,704	25,701,786
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	202,011
	-	-	-	-	-	751,071
	267,602	808,658	603,097	2,894,103	-	4,740,054
	-	-	-	-	-	-
\$	<u>290,804</u>	<u>2,577,019</u>	<u>4,155,179</u>	<u>2,951,505</u>	<u>1,614,704</u>	<u>35,560,789</u>
\$	(1,261)	\$ 32,326	\$ 119,788	\$ 44,829	\$ 2,969	\$ 893,460
	15,774	193,036	35	195	5,785	276,399
	-	23,306	124,833	125,655	-	522,449
	10,909	-	-	-	-	988,408
	<u>2,004,373</u>	<u>617,620</u>	<u>295,883</u>	<u>2,664,477</u>	<u>-</u>	<u>6,188,827</u>
	<u>2,029,795</u>	<u>866,288</u>	<u>540,539</u>	<u>2,835,156</u>	<u>8,754</u>	<u>8,869,543</u>
	-	-	-	-	-	149,168
	-	-	-	-	-	-
	-	1,710,731	3,614,640	116,349	1,605,950	24,115,202
	-	-	-	-	-	4,165,867
	<u>(1,738,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,738,991)</u>
	<u>(1,738,991)</u>	<u>1,710,731</u>	<u>3,614,640</u>	<u>116,349</u>	<u>1,605,950</u>	<u>26,542,078</u>
\$	<u>290,804</u>	<u>2,577,019</u>	<u>4,155,179</u>	<u>2,951,505</u>	<u>1,614,704</u>	<u>35,560,789</u>

**CITY OF NEWTON, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2023

*Capital Projects Funds*

<b>ASSETS</b>	Public Building Improvements	School Building Improvements	Street Improvements	Municipal Equipment Replacement	Sub-total
Cash and cash equivalents.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents.....	3,832,494	14,413,202	1,660,503	2,985,116	22,891,315
Restricted investments.....	-	-	-	-	-
Interest and dividends.....	-	-	-	-	-
Receivables, net of allowance for uncollectible amounts:					
Special assessments.....	-	-	-	-	-
Departmental and other.....	-	-	-	-	-
Intergovernmental.....	-	-	453,280	-	453,280
Other assets.....	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 3,832,494</b>	<b>\$ 14,413,202</b>	<b>\$ 2,113,783</b>	<b>\$ 2,985,116</b>	<b>\$ 23,344,595</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 21,198	\$ 19,222	\$ 120,023	\$ 23,068	\$ 183,511
Accrued liabilities.....	-	195,410	197,637	-	393,047
Accrued payroll.....	-	-	-	-	-
Other liabilities.....	-	-	-	-	-
Due to other funds.....	-	-	302,667	-	302,667
<b>TOTAL LIABILITIES.....</b>	<b>21,198</b>	<b>214,632</b>	<b>620,327</b>	<b>23,068</b>	<b>879,225</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	-	-	-	-	-
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	-	-
Restricted.....	3,811,296	14,198,570	1,493,456	2,962,048	22,465,370
Committed.....	-	-	-	-	-
Unassigned.....	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>3,811,296</b>	<b>14,198,570</b>	<b>1,493,456</b>	<b>2,962,048</b>	<b>22,465,370</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 3,832,494</b>	<b>\$ 14,413,202</b>	<b>\$ 2,113,783</b>	<b>\$ 2,985,116</b>	<b>\$ 23,344,595</b>



*Permanent Funds*

Municipal	Library Common	Sub-total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 4,165,867
238,776	299,835	538,611	49,131,712
310,643	1,628,976	1,939,619	1,939,619
398	-	398	398
-	-	-	202,011
-	-	-	751,071
-	-	-	5,193,334
<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
<u>\$ 579,817</u>	<u>\$ 1,928,811</u>	<u>\$ 2,508,628</u>	<u>\$ 61,414,012</u>
\$ -	\$ -	\$ -	\$ 1,076,971
-	-	-	669,446
-	-	-	522,449
-	-	-	988,408
<u>9,677</u>	<u>-</u>	<u>9,677</u>	<u>6,501,171</u>
<u>9,677</u>	<u>-</u>	<u>9,677</u>	<u>9,758,445</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>149,168</u>
366,932	-	366,932	366,932
203,208	1,928,811	2,132,019	48,712,591
-	-	-	4,165,867
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,738,991)</u>
<u>570,140</u>	<u>1,928,811</u>	<u>2,498,951</u>	<u>51,506,399</u>
<u>\$ 579,817</u>	<u>\$ 1,928,811</u>	<u>\$ 2,508,628</u>	<u>\$ 61,414,012</u>

**CITY OF NEWTON, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Special Revenue Funds*

	School Lunch	Revolving	Receipts Reserved	Affordable Housing Trust	Community Development Block Grant
<b>REVENUES</b>					
Licenses and permits.....	\$ -	\$ -	\$ 1,567,071	-	\$ -
Intergovernmental .....	3,765,974	107,453	90,569	-	2,104,228
Charges for services.....	347,563	19,425,108	-	-	-
Fines and forfeitures.....	-	3,142	73,890	-	-
Investment income .....	39,480	125,571	796	-	-
Contributions and donations.....	-	174,123	155,600	-	-
Miscellaneous.....	-	271,565	193,124	-	-
Special assessments.....	-	200,019	-	-	-
<b>TOTAL REVENUES.....</b>	<b>4,153,017</b>	<b>20,306,981</b>	<b>2,081,050</b>	<b>-</b>	<b>2,104,228</b>
<b>EXPENDITURES</b>					
Current:					
General government:					
Legislative & executive.....	-	6,263	-	-	-
Administrative support.....	-	-	-	-	-
Planning & development.....	-	229,166	-	-	1,836,725
Public building maintenance & operations.....	-	32,855	-	-	-
Public safety:					
Police.....	-	5,401,354	-	-	-
Fire.....	-	948,587	-	-	-
Inspectional services.....	-	2,378	-	-	-
Education.....	3,730,939	9,965,154	-	-	-
Public works:					
Streets & sidewalks.....	-	19,580	-	-	-
Sanitation.....	-	-	-	-	-
Engineering.....	-	115,181	-	-	-
Health and human services:					
Health & human services.....	-	-	-	-	-
Senior services.....	-	9,061	-	-	-
Veteran services.....	-	-	-	-	-
Culture and recreation:					
Libraries.....	-	235,893	-	-	-
Parks & recreation.....	-	2,688,737	-	-	-
Newton History museum.....	-	561	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>3,730,939</b>	<b>19,654,770</b>	<b>-</b>	<b>-</b>	<b>1,836,725</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>422,078</b>	<b>652,211</b>	<b>2,081,050</b>	<b>-</b>	<b>267,503</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in.....	-	1,420,000	-	1,948,056	-
Issuance of general obligation bonds.....	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	109,742	-	-
Transfers out.....	-	-	(1,170,882)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>1,420,000</b>	<b>(1,061,140)</b>	<b>1,948,056</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>422,078</b>	<b>2,072,211</b>	<b>1,019,910</b>	<b>1,948,056</b>	<b>267,503</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>1,240,578</b>	<b>9,631,920</b>	<b>4,596,821</b>	<b>-</b>	<b>34,322</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 1,662,656</b>	<b>\$ 11,704,131</b>	<b>\$ 5,616,731</b>	<b>\$ 1,948,056</b>	<b>\$ 301,825</b>

*Special Revenue Funds*

	Municipal Federal Grant	Municipal State Grant	School State Grant	School Federal Grant	Gift	Sub-total
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 1,567,071
	1,951,839	2,513,607	10,069,744	5,649,485	-	26,252,899
	-	-	-	-	179,009	19,951,680
	-	-	-	-	-	77,052
	-	224	-	-	1,877	167,948
	-	-	-	-	791,918	1,121,641
	-	-	-	-	-	464,689
	-	-	-	-	-	200,019
	<u>1,951,839</u>	<u>2,513,831</u>	<u>10,069,744</u>	<u>5,649,485</u>	<u>972,804</u>	<u>49,802,979</u>
	-	25,534	-	-	3,525	35,322
	-	15,485	-	-	-	15,485
	2,004,711	678,222	-	-	60,000	4,808,824
	-	58,835	-	-	-	91,690
	198	487,366	-	-	-	5,888,918
	126,234	101,916	-	-	500	1,177,237
	-	-	-	-	-	2,378
	-	-	10,518,924	6,076,722	264,680	30,556,419
	-	48,000	-	-	-	67,580
	-	38,214	-	-	-	38,214
	-	-	-	-	-	115,181
	2,520	188,348	-	-	2,000	192,868
	-	344,450	-	-	-	353,511
	-	-	-	-	10,081	10,081
	-	136,470	-	-	-	372,363
	-	43,038	-	-	145,778	2,877,553
	-	-	-	-	-	561
	<u>2,133,663</u>	<u>2,165,878</u>	<u>10,518,924</u>	<u>6,076,722</u>	<u>486,564</u>	<u>46,604,185</u>
	(181,824)	347,953	(449,180)	(427,237)	486,240	3,198,794
	-	33,289	-	-	-	3,401,345
	-	-	-	-	-	-
	-	-	-	-	-	109,742
	-	-	-	-	-	(1,170,882)
	-	33,289	-	-	-	2,340,205
	(181,824)	381,242	(449,180)	(427,237)	486,240	5,538,999
	(1,557,167)	1,329,489	4,063,820	543,586	1,119,710	21,003,079
\$	<u>(1,738,991)</u>	<u>\$ 1,710,731</u>	<u>\$ 3,614,640</u>	<u>\$ 116,349</u>	<u>\$ 1,605,950</u>	<u>\$ 26,542,078</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Capital Projects Funds*

	Public Building Improvements	School Building Improvements	Street Improvements	Municipal Equipment Replacement	Sub-total
<b>REVENUES</b>					
Licenses and permits.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	78,091	1,471,163	-	1,549,254
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Investment income (loss).....	-	-	-	-	-
Contributions and donations.....	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-
Special assessments.....	-	-	-	-	-
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>78,091</b>	<b>1,471,163</b>	<b>-</b>	<b>1,549,254</b>
<b>EXPENDITURES</b>					
Current:					
General government:					
Legislative & executive.....	-	-	-	-	-
Administrative support.....	-	-	-	-	-
Planning & development.....	-	-	-	-	-
Public building maintenance & operations.....	5,601,984	-	-	-	5,601,984
Public safety:					
Police.....	-	-	-	-	-
Fire.....	-	-	-	791,417	791,417
Inspectional services.....	-	-	-	-	-
Education.....	-	3,066,002	-	-	3,066,002
Public works:					
Streets & sidewalks.....	-	-	3,086,637	342,146	3,428,783
Sanitation.....	-	-	-	-	-
Engineering.....	-	-	-	-	-
Health and human services:					
Health & human services.....	-	-	-	-	-
Senior services.....	-	-	-	-	-
Veteran services.....	-	-	-	-	-
Culture and recreation:					
Libraries.....	-	-	-	-	-
Parks & recreation.....	-	-	-	-	-
Newton History museum.....	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>5,601,984</b>	<b>3,066,002</b>	<b>3,086,637</b>	<b>1,133,563</b>	<b>12,888,186</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>					
	<b>(5,601,984)</b>	<b>(2,987,911)</b>	<b>(1,615,474)</b>	<b>(1,133,563)</b>	<b>(11,338,932)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in.....	850,000	10,065,000	50,000	2,358,524	13,323,524
Issuance of general obligation bonds.....	3,020,097	5,000,000	1,453,298	147,305	9,620,700
Premium from issuance of bonds and notes.....	-	-	-	802,695	802,695
Transfers out.....	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>3,870,097</b>	<b>15,065,000</b>	<b>1,503,298</b>	<b>3,308,524</b>	<b>23,746,919</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,731,887)</b>	<b>12,077,089</b>	<b>(112,176)</b>	<b>2,174,961</b>	<b>12,407,987</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>5,543,183</b>	<b>2,121,481</b>	<b>1,605,632</b>	<b>787,087</b>	<b>10,057,383</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 3,811,296</b>	<b>\$ 14,198,570</b>	<b>\$ 1,493,456</b>	<b>\$ 2,962,048</b>	<b>\$ 22,465,370</b>

*Permanent Funds*

Municipal	Library Common	Sub-total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,567,071
-	-	-	27,802,153
-	-	-	19,951,680
-	-	-	77,032
18,034	88,706	106,740	274,688
-	451,354	451,354	1,572,995
-	-	-	464,689
-	-	-	200,019
<u>18,034</u>	<u>540,060</u>	<u>558,094</u>	<u>51,910,327</u>
-	-	-	35,322
-	-	-	15,485
-	-	-	4,808,824
-	-	-	5,693,674
-	-	-	5,888,918
-	-	-	1,968,654
-	-	-	2,378
-	-	-	33,622,421
-	-	-	3,496,363
-	-	-	38,214
-	-	-	115,181
-	-	-	192,868
-	-	-	353,511
-	-	-	10,081
-	403,249	403,249	775,612
635	-	635	2,878,188
-	-	-	561
<u>635</u>	<u>403,249</u>	<u>403,884</u>	<u>59,896,255</u>
<u>17,399</u>	<u>136,811</u>	<u>154,210</u>	<u>(7,985,928)</u>
-	-	-	16,724,869
-	-	-	9,620,700
-	-	-	912,437
-	-	-	(1,170,882)
-	-	-	26,087,124
17,399	136,811	154,210	18,101,196
<u>552,741</u>	<u>1,792,000</u>	<u>2,344,741</u>	<u>33,405,203</u>
<u>\$ 570,140</u>	<u>\$ 1,928,811</u>	<u>\$ 2,498,951</u>	<u>\$ 51,506,399</u>

(Concluded)

## Internal Service Funds

### Health Insurance Fund

This fund is used to account for group health benefits for active and retired employees of the City. The City funds 70%/75% of group health benefits, and employees contribute 25%/30% of the cost through payroll deductions. The City maintains separate sub-funds for plans administered by Tufts Associated Health Plan and Harvard-Pilgrim Health.

### Workers' Compensation Insurance Fund

This fund is used to account for workers' compensation benefits, replacement wages and medical benefits for qualified employees. The fund is also used to account for the cost of providing medical benefits to public safety employees who are injured in the line of duty. Replacement wages for public safety employees are accounted for in the General Fund operating budgets of the police and fire departments.

### Liability Insurance Fund

This fund is used to accumulate resources to pay liability claims in excess of \$50,000. Liability claims of \$15,000 or more are financed from a judgment and settlement appropriation in the City's Solicitor's General Fund annual appropriation. Claims greater than \$5,000, but less than \$50,000 are financed with a transfer from the Reserve Fund annual appropriation in the General Fund.

**CITY OF NEWTON, MASSACHUSETTS**  
**INTERNAL SERVICE FUNDS**  
COMBINING STATEMENT OF FUND NET POSITION

June 30, 2023

<b>ASSETS</b>	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
Current assets:				
Cash and cash equivalents.....	\$ 16,208,915	\$ 121,227	\$ 4,751	\$ 16,334,893
Investments.....	-	17,404,521	-	17,404,521
Interest and dividends.....	-	19,286	-	19,286
Receivables, net of allowance for uncollectible amounts:				
Departmental and other.....	36,896	-	-	36,896
Working capital deposit.....	752,093	-	-	752,093
 Total current assets.....	 <u>16,997,904</u>	 <u>17,545,034</u>	 <u>4,751</u>	 <u>34,547,689</u>
 <b>LIABILITIES</b>				
Current liabilities:				
Warrants payable.....	124,488	163,116	-	287,604
Accrued liabilities.....	-	41,900	-	41,900
Accrued payroll.....	-	61,273	-	61,273
Other liabilities.....	2,613,057	-	-	2,613,057
Due to other funds.....	-	441,022	-	441,022
Accrued health claims payable.....	6,716,241	-	-	6,716,241
Workers' compensation claims.....	-	1,900,000	-	1,900,000
 Total current liabilities.....	 <u>9,453,786</u>	 <u>2,607,311</u>	 <u>-</u>	 <u>12,061,097</u>
Noncurrent liabilities:				
Workers' compensation claims.....	-	8,841,081	-	8,841,081
 Total liabilities.....	 <u>9,453,786</u>	 <u>11,448,392</u>	 <u>-</u>	 <u>20,902,178</u>
 <b>FUND NET POSITION</b>				
Unrestricted.....	7,544,118	6,096,642	4,751	13,645,511
 Total net position.....	 <u>\$ 7,544,118</u>	 <u>\$ 6,096,642</u>	 <u>\$ 4,751</u>	 <u>\$ 13,645,511</u>

**CITY OF NEWTON, MASSACHUSETTS**  
**INTERNAL SERVICE FUNDS**  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
<b>OPERATING REVENUES</b>				
Employer contributions.....	\$ 59,616,273	\$ 1,800,056	\$ -	\$ 61,416,329
Plan member contributions.....	15,315,458	-	-	15,315,458
TOTAL OPERATING REVENUES.....	<u>74,931,731</u>	<u>1,800,056</u>	<u>-</u>	<u>76,731,787</u>
<b>OPERATING EXPENSES</b>				
Self insurance claims.....	72,876,546	1,878,609	-	74,755,155
Administrative expenses.....	6,283,015	385,151	-	6,668,166
TOTAL OPERATING EXPENSES.....	<u>79,159,561</u>	<u>2,263,760</u>	<u>-</u>	<u>81,423,321</u>
OPERATING INCOME (LOSS).....	<u>(4,227,830)</u>	<u>(463,704)</u>	<u>-</u>	<u>(4,691,534)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income.....	354,937	2,089,984	112	2,445,033
CHANGE IN FUND NET POSITION.....	(3,872,893)	1,626,280	112	(2,246,501)
FUND NET POSITION AT BEGINNING OF YEAR.....	<u>11,417,011</u>	<u>4,470,362</u>	<u>4,639</u>	<u>15,892,012</u>
FUND NET POSITION AT END OF YEAR.....	<u>\$ 7,544,118</u>	<u>\$ 6,096,642</u>	<u>\$ 4,751</u>	<u>\$ 13,645,511</u>



**CITY OF NEWTON, MASSACHUSETTS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users.....	\$ 15,315,458	\$ -	\$ -	\$ 15,315,458
Receipts from interfund services provided.....	59,579,377	1,800,056	-	61,379,433
Payments to vendors/providers.....	(77,135,177)	(2,240,095)	-	(79,375,272)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	(2,240,342)	(440,039)	-	(2,680,381)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Advances from Other Funds.....	-	441,022	-	441,022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments.....	-	(6,517,355)	-	(6,517,355)
Sales of investments.....	-	4,402,820	-	4,402,820
Investment income.....	354,938	2,088,387	112	2,443,437
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	354,938	(26,148)	112	328,902
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,885,404)	(25,165)	112	(1,910,457)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	18,094,319	146,392	4,639	18,245,350
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 16,208,915	\$ 121,227	\$ 4,751	\$ 16,334,893
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss).....	\$ (4,227,830)	\$ (463,704)	\$ -	\$ (4,691,534)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Changes in assets and liabilities:				
Departmental and other.....	(36,896)	-	-	(36,896)
Working capital deposit.....	(1,638)	-	-	(1,638)
Prepaid expenses.....	346,883	-	-	346,883
Warrants payable.....	87,298	128,418	-	215,716
Accrued payroll.....	-	35,353	-	35,353
Other liabilities.....	(156,793)	-	-	(156,793)
Accrued liabilities.....	-	(27,928)	-	(27,928)
Accrued health claims payable.....	1,748,634	-	-	1,748,634
Workers' compensation.....	-	(112,178)	-	(112,178)
Total adjustments.....	1,987,488	23,665	-	2,011,153
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ (2,240,342)	\$ (440,039)	\$ -	\$ (2,680,381)

## Private Purpose Trust Funds

### Chaffin Education Fund

This fund is used to account for higher education loans and grants issued to Newton high school graduates who are unable to afford the cost of college education. Revenues consist primarily of investment income on fund cash and investments.

### Scovell Education Fund

This fund is used to account for prizes and awards to students for distinguished scholarships awarded at Newton high schools. The prizes are subject to approval of the School Committee. Revenues consist primarily of investment income on fund cash and investments.

### Cousens Welfare Fund

This fund is used to account for loans and or grants to Newton residents who qualify as poor. At least 90% of the annual income of the fund is to be distributed to the deserving poor and not more than 20% of this sum may be loaned to individuals who are temporarily in financial need. Revenues consist primarily of investment income on fund cash and investments.

### Newton North High School Scholarship Fund

This fund is used to account for Newton North High School scholarship funds. Detailed fund information is available from the City Comptroller's Office.

### Kendrick Welfare Fund

This fund is used to account for distributions to needy industrious poor of Newton, especially widows and orphans.

### Read Charity Fund

This fund is used to account for the perpetual maintenance of the donor's grave site, an annual sleigh ride or picnic for the children of the Newton Corner section of Newton, free lectures on scientific subjects in Newton Corner, library book purchases, and assistance to poor widows of the City. Revenues consist primarily of investment income on fund cash and investments.

### Spear Infirmary Fund

The terms of the gift of this fund calls for the income to be used to "...provide cheer for the inmates of the City farm." The fund has been inactive for a number of years.

### Mabel Riley Senior Fund

The terms of the gift of this fund calls for the income to be used for "...special treats for residents of nursing homes and homes for the elderly on holidays and for comforts for the sick throughout the year."

### Elderly Tax Relief Fund

The City has accepted Massachusetts General Law Chapter 60, Section 3D, which authorizes the implementation of a voluntary tax check-off program for purposes of defraying real estate taxes for elderly and disabled Newton taxpayers with low incomes. This fund is used to account for the receipt of voluntary donations and awards voted by the Taxation Aid Committee.

### Marjorie Moerschner Fund

The terms of the gift of this fund calls for the income to be used for "...the purpose of providing aid to the poor and needy inhabitants of the City of Newton as its Mayor shall from time to time determine."

**CITY OF NEWTON, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION**

June 30, 2023

	Chaffin Education	Scovell Education	Cousens Welfare	Newton North High School Scholarship
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 652,448	\$ 16,241	\$ 24,892	\$ 1,005,446
Investments:				
Fixed Income.....	1,294,075	772,443	1,185,843	328,576
Equities.....	4,387,668	985,784	1,401,049	377,425
Interest and dividends.....	(1,781)	2,648	6,898	1,171
Total assets.....	<u>6,332,410</u>	<u>1,777,116</u>	<u>2,618,682</u>	<u>1,712,618</u>
<b>LIABILITIES</b>				
Warrants payable.....	-	-	1,574	-
Due to other funds.....	-	-	12	-
Total liabilities.....	<u>-</u>	<u>-</u>	<u>1,586</u>	<u>-</u>
<b>NET POSITION</b>				
Assets held in trust for other purposes.....	<u>\$ 6,332,410</u>	<u>\$ 1,777,116</u>	<u>\$ 2,617,096</u>	<u>\$ 1,712,618</u>

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	<u>Kendrick Welfare</u>	<u>Read Charity</u>	<u>Spear Infirmary</u>	<u>Mabel Riley Senior</u>	<u>Elderly Tax Relief</u>	<u>Marjorie Moerschner Fund</u>	<u>Total</u>
\$	3,403	\$ 47,272	\$ 5,104	\$ 41,633	\$ 25,652	\$ 3,261	\$ 1,825,352
	-	-	-	-	-	42,650	3,623,587
	-	-	-	-	-	55,035	7,206,961
	-	-	-	-	-	148	9,084
	<u>3,403</u>	<u>47,272</u>	<u>5,104</u>	<u>41,633</u>	<u>25,652</u>	<u>101,094</u>	<u>12,664,984</u>
	-	-	-	-	-	-	1,574
	-	-	-	-	-	-	12
	-	-	-	-	-	-	1,586
\$	<u>3,403</u>	<u>\$ 47,272</u>	<u>\$ 5,104</u>	<u>\$ 41,633</u>	<u>\$ 25,652</u>	<u>\$ 101,094</u>	<u>\$ 12,663,398</u>

**CITY OF NEWTON, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Chaffin Education	Scovell Education	Cousens Welfare	Newton North High School Scholarship
<b>ADDITIONS</b>				
Contributions:				
Private donations.....	\$ -	\$ -	\$ -	\$ 147,727
Net investment income:				
Net appreciation (depreciation) in fair value of investments.....	569,571	171,378	235,251	95,426
TOTAL ADDITIONS.....	<u>569,571</u>	<u>171,378</u>	<u>235,251</u>	<u>243,153</u>
<b>DEDUCTIONS</b>				
Administration expense.....	-	-	479	-
Educational scholarships & awards.....	373,298	20,000	166,946	134,210
TOTAL DEDUCTIONS.....	<u>373,298</u>	<u>20,000</u>	<u>167,425</u>	<u>134,210</u>
CHANGE IN NET POSITION.....	196,273	151,378	67,826	108,943
NET POSITION AT BEGINNING OF YEAR.....	<u>6,136,137</u>	<u>1,625,738</u>	<u>2,549,270</u>	<u>1,603,675</u>
NET POSITION AT END OF YEAR.....	<u>\$ 6,332,410</u>	<u>\$ 1,777,116</u>	<u>\$ 2,617,096</u>	<u>\$ 1,712,618</u>

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Kendrick Welfare	Read Charity	Spear Infirmary	Mabel Riley Senior	Elderly Tax Relief	Marjorie Moerschner Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,589	\$ -	\$ 149,316
80	1,110	120	978	595	7,907	1,082,416
80	1,110	120	978	2,184	7,907	1,231,732
-	-	-	-	-	-	479
-	-	-	-	-	-	694,454
-	-	-	-	-	-	694,933
80	1,110	120	978	2,184	7,907	536,799
3,323	46,162	4,984	40,655	23,468	93,187	12,126,599
\$ <u>3,403</u>	\$ <u>47,272</u>	\$ <u>5,104</u>	\$ <u>41,633</u>	\$ <u>25,652</u>	\$ <u>101,094</u>	\$ <u>12,663,398</u>

## General Fund

This is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
<b>City Clerk/Clerk of the Board</b>			
Personal Services	\$ -	\$ 1,624,744	\$ (21,950)
Expenses	16,649	178,675	21,950
Capital Outlay	9,443	2,500	250,000
Fringe Benefits	-	411,153	(25,329)
Total City Clerk/Clerk of the Board	<u>26,092</u>	<u>2,217,072</u>	<u>224,671</u>
<b>Executive</b>			
Personal Services	-	974,499	-
Expenses	408,939	303,600	1,500
Fringe Benefits	-	119,087	3,344
Total Mayor's Office	<u>408,939</u>	<u>1,397,186</u>	<u>4,844</u>
<b>Comptroller's Office/Property Insurance/Audit</b>			
Personal Services	-	577,320	-
Expenses	158,743	837,881	-
Fringe Benefits	-	81,098	2,606
Total Comptroller's Office/Property Insurance	<u>158,743</u>	<u>1,496,299</u>	<u>2,606</u>
<b>Purchasing/General Services</b>			
Personal Services	-	430,612	50
Expenses	2,000	66,000	(50)
Fringe Benefits	-	65,408	24,486
Total Purchasing/General Services	<u>2,000</u>	<u>562,020</u>	<u>24,486</u>
<b>Assessing Department</b>			
Personal Services	-	1,101,144	-
Expenses	4,034	68,364	-
Fringe Benefits	-	137,349	11,789
Total Assessing Department	<u>4,034</u>	<u>1,306,857</u>	<u>11,789</u>
<b>Treasury &amp; Collection Department</b>			
Personal Services	-	825,010	-
Expenses	97,769	367,040	108,122
Fringe Benefits	-	163,654	(7,538)
Total Treasury & Collection Department	<u>97,769</u>	<u>1,355,704</u>	<u>100,584</u>
<b>City Solicitor/Judgments &amp; Settlements</b>			
Personal Services	-	1,534,425	(150,000)
Expenses	169,650	269,675	730,000
Fringe Benefits	-	230,450	3,237
Total City Solicitor's Office/Settlements	<u>169,650</u>	<u>2,034,550</u>	<u>583,237</u>



<u>FY 2023 Budget As Amended</u>	<u>Total Revised FY 2023 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
\$ 1,602,794	\$ 1,602,794	\$ 1,556,337	\$ -	\$ 46,457
200,625	217,274	152,112	57,702	7,460
252,500	261,943	774	261,169	-
385,824	385,824	384,417	-	1,407
<u>2,441,743</u>	<u>2,467,835</u>	<u>2,093,640</u>	<u>318,871</u>	<u>55,324</u>
974,499	974,499	962,996	-	11,503
305,100	714,039	144,287	558,325	11,427
122,431	122,431	122,431	-	-
<u>1,402,030</u>	<u>1,810,969</u>	<u>1,229,714</u>	<u>558,325</u>	<u>22,930</u>
577,320	577,320	536,023	-	41,297
837,881	996,624	861,887	131,249	3,488
83,704	83,704	81,843	-	1,861
<u>1,498,905</u>	<u>1,657,648</u>	<u>1,479,753</u>	<u>131,249</u>	<u>46,646</u>
430,662	430,662	430,638	-	24
65,950	67,950	24,293	2,343	41,314
89,894	89,894	89,894	-	-
<u>586,506</u>	<u>588,506</u>	<u>544,825</u>	<u>2,343</u>	<u>41,338</u>
1,101,144	1,101,144	1,051,130	-	50,014
68,364	72,398	49,712	9,206	13,480
149,138	149,138	147,138	-	2,000
<u>1,318,646</u>	<u>1,322,680</u>	<u>1,247,980</u>	<u>9,206</u>	<u>65,494</u>
825,010	825,010	750,912	-	74,098
475,162	572,931	456,832	116,099	-
156,116	156,116	152,800	-	3,316
<u>1,456,288</u>	<u>1,554,057</u>	<u>1,360,544</u>	<u>116,099</u>	<u>77,414</u>
1,384,425	1,384,425	1,353,695	-	30,730
999,675	1,169,325	822,851	330,341	16,133
233,687	233,687	233,686	-	1
<u>2,617,787</u>	<u>2,787,437</u>	<u>2,410,232</u>	<u>330,341</u>	<u>46,864</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
<b>Human Resources Department</b>			
Personal Services	-	792,176	(125,000)
Expenses	-	223,600	125,000
Fringe Benefits	-	228,185	(48,286)
Total Human Resources Department	<u>-</u>	<u>1,243,961</u>	<u>(48,286)</u>
<b>Information Technology Department</b>			
Personal Services	-	1,223,508	(30,000)
Expenses	27,772	696,270	-
Capital Outlay	96,485	100,000	-
Fringe Benefits	-	220,179	(27,308)
Total Information Technology Department	<u>124,257</u>	<u>2,239,957</u>	<u>(57,308)</u>
<b>Financial Information Systems</b>			
Personal Services	-	626,616	(55,000)
Expenses	78,226	61,395	-
Fringe Benefits	-	86,468	(25,658)
Total Financial Information Systems	<u>78,226</u>	<u>774,479</u>	<u>(80,658)</u>
<b>Planning &amp; Development Department</b>			
Personal Services	-	1,971,541	-
Expenses	160,932	276,200	-
Capital Outlay	55,661	25,000	-
Fringe Benefits	-	272,405	(34,059)
Total Planning & Development Department	<u>216,593</u>	<u>2,545,146</u>	<u>(34,059)</u>
<b>Public Building Department</b>			
Personal Services	-	2,930,874	-
Expenses	32,335	2,295,549	-
Capital Outlay	55,831	250,000	(250,000)
Fringe Benefits	-	553,766	(24,136)
Total Public Building Department	<u>88,166</u>	<u>6,030,189</u>	<u>(274,136)</u>
<hr/>			
<b>GENERAL GOVERNMENT TOTAL</b>	<b><u>1,374,469</u></b>	<b><u>23,203,420</u></b>	<b><u>457,770</u></b>
<hr/>			
<b>Police Department</b>			
Personal Services	-	20,191,605	2,850,000
Expenses	77,213	1,040,947	-
Capital Outlay	74,526	406,600	-
Fringe Benefits	-	3,151,336	(146,019)
Total Police Department	<u>151,739</u>	<u>24,790,488</u>	<u>2,703,981</u>

FY 2023 Budget As Amended	Total Revised FY 2023 Budget	Expenditures and Transfers	Encumbrances/ Continued Appropriations	Closed to Fund Balance
667,176	667,176	608,445	-	58,731
348,600	348,600	284,885	60,495	3,220
179,899	179,899	129,275	-	50,624
<u>1,195,675</u>	<u>1,195,675</u>	<u>1,022,605</u>	<u>60,495</u>	<u>112,575</u>
1,193,508	1,193,508	1,167,683	-	25,825
696,270	724,042	707,852	8,115	8,075
100,000	196,485	180,080	16,288	117
192,871	192,871	192,871	-	-
<u>2,182,649</u>	<u>2,306,906</u>	<u>2,248,486</u>	<u>24,403</u>	<u>34,017</u>
571,616	571,616	477,221	-	94,395
61,395	139,621	14,508	110,646	14,467
60,810	60,810	55,266	-	5,544
<u>693,821</u>	<u>772,047</u>	<u>546,995</u>	<u>110,646</u>	<u>114,406</u>
1,971,541	1,971,541	1,772,982	-	198,559
276,200	437,132	208,318	202,872	25,942
25,000	80,661	16,722	63,939	-
238,346	238,346	232,442	-	5,904
<u>2,511,087</u>	<u>2,727,680</u>	<u>2,230,464</u>	<u>266,811</u>	<u>230,405</u>
2,930,874	2,930,874	2,884,793	-	46,081
2,295,549	2,327,884	2,248,724	74,970	4,190
-	55,831	37,157	18,673	1
529,630	529,630	529,097	-	533
<u>5,756,053</u>	<u>5,844,219</u>	<u>5,699,771</u>	<u>93,643</u>	<u>50,805</u>
<b><u>23,661,190</u></b>	<b><u>25,035,659</u></b>	<b><u>22,115,009</u></b>	<b><u>2,022,432</u></b>	<b><u>898,218</u></b>
23,041,605	23,041,605	22,857,458	-	184,147
1,040,947	1,118,160	1,042,140	39,040	36,980
406,600	481,126	152,806	326,724	1,596
3,005,317	3,005,317	3,005,317	-	-
<u>27,494,469</u>	<u>27,646,208</u>	<u>27,057,721</u>	<u>365,764</u>	<u>222,723</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
<b>Fire Department</b>			
Personal Services	-	22,884,310	1,500,000
Expenses	75,405	1,100,466	-
Capital Outlay	162,308	90,000	300,000
Fringe Benefits	-	3,492,861	204,000
Total Fire Department	<u>237,713</u>	<u>27,567,637</u>	<u>2,004,000</u>
<b>Inspectional Services Department</b>			
Personal Services	-	1,699,502	-
Expenses	-	69,584	-
Fringe Benefits	-	257,042	22,046
Total Inspectional Services Department	<u>-</u>	<u>2,026,128</u>	<u>22,046</u>
<hr/>			
<b>PUBLIC SAFETY TOTAL</b>	<u>389,452</u>	<u>54,384,253</u>	<u>4,730,027</u>
<hr/>			
<b>NEWTON PUBLIC SCHOOLS</b>	<u>295,998</u>	<u>260,385,208</u>	<u>(135,000)</u>
<hr/>			
<b>Public Works Department</b>			
Personal Services	-	11,344,687	(1,600,000)
Expenses	5,548,855	18,108,488	1,880,000
Capital Outlay	531,592	430,000	-
Fringe Benefits	-	2,178,850	(480,215)
Total Public Works Department	<u>6,080,447</u>	<u>32,062,025</u>	<u>(200,215)</u>
<hr/>			
<b>PUBLIC WORKS TOTAL</b>	<u>6,080,447</u>	<u>32,062,025</u>	<u>(200,215)</u>

<u>FY 2023 Budget As Amended</u>	<u>Total Revised FY 2023 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
24,384,310	24,384,310	23,963,029	-	421,281
1,100,466	1,175,871	1,145,222	29,005	1,644
390,000	552,308	47,936	504,373	(1)
3,696,861	3,696,861	3,696,861	-	-
<u>29,571,637</u>	<u>29,809,350</u>	<u>28,853,048</u>	<u>533,378</u>	<u>422,924</u>
1,699,502	1,699,502	1,682,466	-	17,036
69,584	69,584	36,639	-	32,945
279,088	279,088	274,217	-	4,871
<u>2,048,174</u>	<u>2,048,174</u>	<u>1,993,322</u>	<u>-</u>	<u>54,852</u>
<u>59,114,280</u>	<u>59,503,732</u>	<u>57,904,091</u>	<u>899,142</u>	<u>700,499</u>
<u>260,250,208</u>	<u>260,546,206</u>	<u>259,732,707</u>	<u>813,282</u>	<u>217</u>
9,744,687	9,744,687	9,595,724	-	148,963
19,988,488	25,537,343	18,882,372	6,641,918	13,053
430,000	961,592	271,055	690,537	-
1,698,635	1,698,635	1,683,650	-	14,985
<u>31,861,810</u>	<u>37,942,257</u>	<u>30,432,801</u>	<u>7,332,455</u>	<u>177,001</u>
<u>31,861,810</u>	<u>37,942,257</u>	<u>30,432,801</u>	<u>7,332,455</u>	<u>177,001</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
<b>Health &amp; Human Services Department</b>			
Personal Services	-	3,740,961	(30,000)
Expenses	329,952	831,295	30,000
Fringe Benefits	-	671,753	(30,332)
Total Public Health Department	<u>329,952</u>	<u>5,244,009</u>	<u>(30,332)</u>
<b>Senior Services Department</b>			
Personal Services	-	356,710	-
Expenses	-	426,800	-
Fringe Benefits	-	87,019	(7,447)
Total Human Services Department	<u>-</u>	<u>870,529</u>	<u>(7,447)</u>
<b>Veteran Services Department</b>			
Personal Services	-	86,422	-
Expenses	21,771	126,425	-
Fringe Benefits	-	1,253	-
Total Veteran Services Department	<u>21,771</u>	<u>214,100</u>	<u>-</u>
<hr/>			
<b>HEALTH &amp; HUMAN SERVICES TOTAL</b>	<b><u>351,723</u></b>	<b><u>6,328,638</u></b>	<b><u>(37,779)</u></b>
<b>Newton Public Library</b>			
Personal Services	-	4,215,908	(200,000)
Expenses	5,491	1,253,217	200,000
Fringe Benefits	-	679,833	(3,636)
Total Newton Public Library	<u>5,491</u>	<u>6,148,958</u>	<u>(3,636)</u>
<b>Parks &amp; Recreation Department</b>			
Personal Services	-	3,750,540	150,000
Expenses	440,616	2,986,616	-
Capital Outlay	386,333	150,000	-
Fringe Benefits	-	739,040	6,720
Total Parks & Recreation Department	<u>826,949</u>	<u>7,626,196</u>	<u>156,720</u>
<b>Newton History Museum</b>			
Personal Services	-	261,124	-
Expenses	-	28,150	-
Fringe Benefits	-	25,859	-
Total Newton History Museum	<u>-</u>	<u>315,133</u>	<u>-</u>
<hr/>			
<b>CULTURE &amp; RECREATION TOTAL</b>	<b><u>832,440</u></b>	<b><u>14,090,287</u></b>	<b><u>153,084</u></b>

FY 2023 Budget As Amended	Total Revised FY 2023 Budget	Expenditures and Transfers	Encumbrances/ Continued Appropriations	Closed to Fund Balance
3,710,961	3,710,961	3,671,300	-	39,661
861,295	1,191,247	595,836	126,957	468,454
641,421	641,421	634,956	-	6,465
<u>5,213,677</u>	<u>5,543,629</u>	<u>4,902,092</u>	<u>126,957</u>	<u>514,580</u>
356,710	356,710	350,379	-	6,331
426,800	426,800	426,796	-	4
79,572	79,572	79,572	-	-
<u>863,082</u>	<u>863,082</u>	<u>856,747</u>	<u>-</u>	<u>6,335</u>
86,422	86,422	86,421	-	1
126,425	148,196	103,760	35,000	9,436
1,253	1,253	1,248	-	5
<u>214,100</u>	<u>235,871</u>	<u>191,429</u>	<u>35,000</u>	<u>9,442</u>
<b><u>6,290,859</u></b>	<b><u>6,642,582</u></b>	<b><u>5,950,268</u></b>	<b><u>161,957</u></b>	<b><u>530,357</u></b>
4,015,908	4,015,908	3,709,798	-	306,110
1,453,217	1,458,708	1,420,914	14,000	23,794
676,197	676,197	654,836	-	21,361
<u>6,145,322</u>	<u>6,150,813</u>	<u>5,785,548</u>	<u>14,000</u>	<u>351,265</u>
3,900,540	3,900,540	3,766,907	-	133,633
2,986,616	3,427,232	2,852,696	492,977	81,559
150,000	536,333	253,557	188,677	94,099
745,760	745,760	745,760	-	-
<u>7,782,916</u>	<u>8,609,865</u>	<u>7,618,920</u>	<u>681,654</u>	<u>309,291</u>
261,124	261,124	241,417	-	19,707
28,150	28,150	27,654	-	496
25,859	25,859	25,417	-	442
<u>315,133</u>	<u>315,133</u>	<u>294,488</u>	<u>-</u>	<u>20,645</u>
<b><u>14,243,371</u></b>	<b><u>15,075,811</u></b>	<b><u>13,698,956</u></b>	<b><u>695,654</u></b>	<b><u>681,201</u></b>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**GENERAL FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
<b>DEBT SERVICE (PRINCIPAL &amp; INTEREST)</b>			
Debt Service	-	24,936,069	-
Total Debt & Interest	-	24,936,069	-
<b>RETIREMENT</b>			
Fringe Benefits	-	52,020,527	(292,120)
Total Retirement	-	52,020,527	(292,120)
<b>APPROPRIATED RESERVES</b>			
Wage & Salary Reserve	1,202,798	1,500,000	(2,702,798)
Reserve Fund (Budget Reserve)	-	500,000	(257,202)
Reserve Fund (Snow & Ice)	-	1,500,000	-
Total Budgetary Reserves	1,202,798	3,500,000	(2,960,000)
<b>STATE &amp; COUNTY ASSESSMENTS</b>	-	6,600,451	105,562
<b>SPECIAL APPROPRIATIONS</b>	16,115,275	-	6,623,081
<b>TOTAL EXPENDITURES</b>	<b>26,642,602</b>	<b>477,510,878</b>	<b>8,444,410</b>
<b>TRANSFERS TO OTHER FUNDS:</b>			
Workers Comp Self Insurance Fund - Muni	-	800,000	-
Workers Comp Self Insurance Fund - School	-	400,000	-
School Athletic Revolving Fund - School	-	1,250,000	170,000
School Lunch Fund	-	35,000	(35,000)
Health Insurance Transfer	-	-	873,855
School Improvement Fund (LE)	-	-	10,000,000
Municipal Equipment Capital Project Fund	-	-	2,358,524
School Building Improvement Fund	-	-	750,000
Total Transfers to Other Funds	-	2,485,000	14,117,379
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 26,642,602</b>	<b>\$ 479,995,878</b>	<b>\$ 22,561,789</b>



<u>FY 2023 Budget As Amended</u>	<u>Total Revised FY 2023 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
24,936,069	24,936,069	24,936,086	-	(17)
24,936,069	24,936,069	24,936,086	-	(17)
51,728,407	51,728,407	51,710,352	-	18,055
51,728,407	51,728,407	51,710,352	-	18,055
(1,202,798)	-	-	-	-
242,798	242,798	-	-	242,798
1,500,000	1,500,000	-	-	1,500,000
540,000	1,742,798	-	-	1,742,798
6,706,013	6,706,013	6,542,353	-	163,660
6,623,081	22,738,356	4,382,650	18,349,928	5,778
485,955,288	512,597,890	477,405,273	30,274,850	4,917,767
800,000	800,000	800,000	-	-
400,000	400,000	400,000	-	-
1,420,000	1,420,000	1,420,000	-	-
-	-	-	-	-
873,855	873,855	873,855	-	-
10,000,000	10,000,000	10,000,000	-	-
2,358,524	2,358,524	2,358,524	-	-
750,000	750,000	750,000	-	-
16,602,379	16,602,379	16,602,379	-	-
<b>502,557,667</b>	<b>529,200,269</b>	<b>494,007,652</b>	<b>30,274,850</b>	<b>4,917,767</b>

(Concluded)

## Community Preservation Fund

This fund accounts for the 1% local property tax surcharge that the voters of the City approved in November of 2001 for open space, historic resource and affordable housing purposes. The Commonwealth of Massachusetts currently matches local surcharge revenue on a dollar for dollar basis.

The City Council has appropriation authority over all community preservation funds; however, all appropriation recommendations must originate with the nine member community preservation committee.

**CITY OF NEWTON, MASSACHUSETTS  
COMMUNITY PRESERVATION FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Encumbrances/ Continued Appropriations	Current Year Appropriations	Original Budget	Budget Revisions
<b>Administration &amp; operations:</b>				
Planning	\$ -	\$ 179,375	\$ 179,375	\$ -
Transfers to various reserves	-	1,807,529	1,807,529	6,110,757
Total - Administration & operations	<u>-</u>	<u>1,986,904</u>	<u>1,986,904</u>	<u>6,110,757</u>
<b>CPA appropriation reserve</b>	<u>-</u>	<u>3,578,971</u>	<u>3,578,971</u>	<u>(1,877,968)</u>
<b>Open space:</b>				
Open space reserve	-	556,588	556,588	(556,588)
Webster Woods Land Acquisition	-	137,765	137,765	556,588
300 Hammond Pond Parkway/Webster Woods	112	-	112	-
Webster Woods Legal Services	570,705	-	570,705	-
Webster Woods- Newton Conservators	15,000	-	15,000	-
Kessler Woods- Newton Conservators	15,000	-	15,000	-
Levingston Cove Construction	288,069	-	288,069	-
Total - Open space projects	<u>888,886</u>	<u>694,353</u>	<u>1,583,239</u>	<u>-</u>
<b>Historic resources:</b>				
Historic preservation reserve	-	556,588	556,588	(75,000)
Historical burial grounds restoration	2,048	-	2,048	-
Historical burial grounds restoration Phase Iia	2,349	-	2,349	-
East Parish Burial Ground Restoration	46,856	-	46,856	-
Whipple-Beal Fence Project (Newton Cemetery)	6,000	-	6,000	-
Jackson Homestead Fence	28,990	-	28,990	-
Grace Church Tower Restoration	1,046,558	-	1,046,558	-
Newton Architectural Survey	17,500	-	17,500	-
Church of the Open Word Study	94,600	-	94,600	-
Newton Community Farm Rehab	88,554	-	88,554	-
Jackson Homestead Basement Reno-Phase I	-	-	-	75,000
Total - Historic preservation	<u>1,333,455</u>	<u>556,588</u>	<u>1,890,043</u>	<u>-</u>
<b>Community housing:</b>				
Community Housing Reserve	-	556,588	556,588	(556,588)
CPA Housing Transfers	-	-	-	556,588
Crescent Street Design - Housing	4,412	-	4,412	-
Haywood House Jackson Rd	316,719	-	316,719	-
Scanton Ave/Golda Meir Expansion	449,486	-	449,486	-
Newton Homebuyer's Preservation	624,092	-	624,092	-
Coleman House Senior Housing	506,223	-	506,223	-
West Newton Armory Housing	3,000,000	-	3,000,000	-
Nonantum Senior Housing Preservation	500,000	-	500,000	-
Total - community housing	<u>5,400,932</u>	<u>556,588</u>	<u>5,957,520</u>	<u>-</u>
<b>Community recreation:</b>				
Crescent Street Design - playground	167,134	-	167,134	-
Pigeon Hill Trail	46,262	-	46,262	-
Commonwealth Ave Carriageway	196,286	-	196,286	-
Gath Pool Feasibility Study	11,000	-	11,000	-
Levingston Cove Construction	1,152,275	-	1,152,275	-
Athletic Fields CIP Design	420,000	-	420,000	-
Comm Ave Carriageway Design	-	133,002	133,002	-
Gath Pool Reno Phase II	-	486,500	486,500	-
Gath Pool Reno Phase III	-	5,834,362	5,834,362	-
Athletic Fields Construction Phase III	-	9,099,787	9,099,787	-
Total - community recreation	<u>1,992,957</u>	<u>15,553,651</u>	<u>17,546,608</u>	<u>-</u>
<b>TOTAL CPA FUND</b>	<u>\$ 9,616,230</u>	<u>\$ 21,119,526</u>	<u>\$ 30,735,756</u>	<u>\$ (1,877,968)</u>

Final Budget	Expended	Encumbrances/ Continued Appropriations	Closed to Fund Balance
\$ 179,375	\$ 139,443	\$ -	\$ 39,932
7,918,286	7,918,286	-	-
<u>8,097,661</u>	<u>8,057,729</u>	<u>-</u>	<u>39,932</u>
1,701,003	-	-	1,701,003
-	-	-	-
694,353	694,353	-	-
112	-	112	-
570,705	60,180	510,525	-
15,000	-	15,000	-
15,000	-	15,000	-
288,069	288,069	-	-
<u>1,583,239</u>	<u>1,042,602</u>	<u>540,637</u>	<u>-</u>
481,588	-	-	481,588
2,048	2,048	-	-
2,349	2,349	-	-
46,856	2,610	44,246	-
6,000	4,200	1,800	-
28,990	2,200	26,790	-
1,046,558	830,072	216,486	-
17,500	11,550	5,950	-
94,600	85,140	9,460	-
88,554	76,658	11,896	-
75,000	1,600	73,400	-
<u>1,890,043</u>	<u>1,018,427</u>	<u>390,028</u>	<u>481,588</u>
-	-	-	-
556,588	556,588	-	-
4,412	-	4,412	-
316,719	8,729	307,990	-
449,486	-	449,486	-
624,092	7,094	616,998	-
506,223	84,761	421,462	-
3,000,000	-	3,000,000	-
500,000	419,183	80,817	-
<u>5,957,520</u>	<u>1,076,355</u>	<u>4,881,165</u>	<u>-</u>
167,134	-	167,134	-
46,262	-	46,262	-
196,286	196,286	-	-
11,000	10,000	1,000	-
1,152,275	572,033	580,242	-
420,000	149,542	270,458	-
133,002	101,589	31,413	-
486,500	70,600	415,900	-
5,834,362	-	5,834,362	-
9,099,787	-	9,099,787	-
<u>17,546,608</u>	<u>1,100,050</u>	<u>16,446,558</u>	<u>-</u>
<u>\$ 36,776,074</u>	<u>\$ 12,295,163</u>	<u>\$ 22,258,388</u>	<u>\$ 2,222,523</u>

## **Additional Information**

**CITY OF NEWTON, MASSACHUSETTS**  
**CAPITAL PROJECTS FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued Appropriations	FY 2023 Appropriations	Transfers
<b>School Building Improvement Fund:</b>			
Carr Elementary Evaluation/Design - 2012	\$ 1,674	\$ -	\$ -
Carr Elementary Renovations - 2013	17,977	-	-
Horace Mann Elevator	34,550	-	-
Lincoln Eliot & NECP Feas Study	185,474	-	-
Lincoln Eliot HVAC System	92,126	-	-
Bigelow Boiler Repl-2019	152,333	-	-
FA Day Boilers- 2020	326,417	-	-
Horace Mann Improvements	35,007	-	-
Oak Hill Addition-2021	37,388	-	-
Horace Mann Elevator	-	-	65,000
<b>Total School Building Improvement Fund</b>	<u>882,946</u>	<u>-</u>	<u>65,000</u>
<b>Angier School Improvement Fund</b>			
Angier Elementary School Construction - 2014	8,083	-	-
<b>Zervas School Improvement Fund</b>			
Zervas Elementary Renovation - 2014	1,606,058	-	-
<b>Cabot School Improvement Fund</b>			
Cabot Construction 1/2017	830,049	-	-
23 Parkview Ave Land Taking - 2016	10,228	-	-
<b>Total Cabot School Improvement Fund</b>	<u>840,277</u>	<u>-</u>	<u>-</u>
<b>Lincoln-Eliot School Improvement Fund</b>			
Lincoln-Eliot Construction - 2022 Bond	49,214,560	(10,000,000)	-
Lincoln-Eliot Construction	-	10,000,000	-
<b>Total Lincoln-Eliot School Improvement Fund</b>	<u>49,214,560</u>	<u>-</u>	<u>-</u>
<b>Countryside School Improvement Fund</b>			
Countryside Feasibility Study-2021	1,250,000	-	-
<b>Franklin School Improvement Fund</b>			
Franklin Feasibility Study-2023	-	1,150,000	-
<b>Municipal Building Improvement Fund</b>			
Fire Station #3/HQ - 2015	90,074	-	-
Fire Station#3/HQ - 2016	51,317	-	-
City Hall Window Replacement/Repairs - 2011	85,594	-	-
Senior Center HVAC improvements - 2015	14,630	-	-
Energy Conservation Improvements - 2016	12,403	-	-
City Hall Roof Heat Trace Wiring - 2016	58,926	-	-
Crafts Street Garage Roof-2019	30,552	-	-
Senior Ctr Construction- Feas 2019	42,961	-	-
NEWCAL- Feas, Design, Site 2019	15,761	-	-
Police HQ- Boiler Repl 2020	4,136	-	-
Newton Early Childhood Prog 2020	5,219,772	-	-
687 Washington St Site Remediation 2020	43,588	-	-
2020 Energy Efficiency Projects	11,610	-	-
Angino Farm Solar Project	12,625	-	-
Library HVAC System-2023	-	850,000	-
NewCal Construction- 2023	-	19,500,000	-
<b>Total Municipal Building Improvement Fund</b>	<u>5,693,949</u>	<u>20,350,000</u>	<u>-</u>

Expended	Encumbered	Balance
\$ -	\$ 1,674	\$ -
-	5,427	12,550
-	-	34,550
124,607	60,867	-
38,858	-	53,268
-	-	152,333
-	-	326,417
19,632	15,368	7
8,327	-	29,061
168	26,700	38,132
<u>191,592</u>	<u>110,036</u>	<u>646,318</u>
-	-	8,083
<u>27,507</u>	<u>-</u>	<u>1,578,551</u>
353,689	-	476,360
-	-	10,228
<u>353,689</u>	<u>-</u>	<u>486,588</u>
2,529,021	1,002,036	35,683,503
-	-	10,000,000
<u>2,529,021</u>	<u>1,002,036</u>	<u>45,683,503</u>
-	-	1,250,000
<u>-</u>	<u>765,750</u>	<u>384,250</u>
-	-	90,074
-	-	51,317
-	85,594	-
-	-	14,630
-	-	12,403
-	-	58,926
-	3,377	27,175
-	-	42,961
15,761	-	-
-	-	4,136
4,313,899	718,230	187,643
980	-	42,608
-	-	11,610
10,462	-	2,163
169	94,500	755,331
<u>1,260,713</u>	<u>1,626,569</u>	<u>16,612,718</u>
<u>5,601,984</u>	<u>2,528,270</u>	<u>17,913,695</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**CAPITAL PROJECTS FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued Appropriations	FY 2023 Appropriations	Transfers
<b>CH 90 Highway Improvement Fund:</b>			
Unallocated	-	732,803	-
Approved projects	880,870	1,518,974	-
<b>Total CH 90 Highway Improvement Fund</b>	<b>880,870</b>	<b>2,251,777</b>	<b>-</b>
<b>Massworks Road Improvement Fund:</b>			
Upper Falls Pette St (reimbursable)	114,498	-	-
Pettee Sq- Oak/Chestnut (reimbursable)	-	2,027,000	-
<b>Total Massworks Road Improvement Fund</b>	<b>114,498</b>	<b>2,027,000</b>	<b>-</b>
<b>Municipal Equipment Replacement Fund:</b>			
Police Dispatch Console Replacement - 2017	45,000	-	-
Fire SCBA Replacement - 2016	2,420	-	-
Sewer Cleaner Equipment - 2016	40,410	-	-
Parks Two trash trucks - 2018	2,520	-	-
Backhoe truck - 2018	12,669	-	-
Fire Engine #2 repl - 2019	93,207	-	-
Modular Trailer at Rumford Ave-2020	71,999	-	-
Two trash Compactors- Rumford Ave-2020	803	-	-
Parking Meters and Kiosks- 2020	193,060	-	-
Two 10-Wheel Swap Loader Trucks- 2022	725,000	-	-
Public Safety Radio Infrastructure- 2023	-	950,000	-
Sidewalk Clearing Tractor- 2023	-	300,000	-
Fire Engine #7- 2023	-	800,000	-
Hybrid Police Cruisers- 2023	-	258,524	-
DPW Replacement Vehicles- 2023	-	1,000,000	-
<b>Total Municipal Equipment Replacement Fund</b>	<b>1,187,088</b>	<b>3,308,524</b>	<b>-</b>
<b>Street Improvement Fund</b>			
Dedham/Nahanton/Brk Intersection Improv	44,897	-	-
Ded/Nah/Brk Intersection Improvement	94,274	-	-
West Newton Sq Improv	578,170	-	-
Comm Ave Greening Improvements	4,530	-	-
Walnut/Austin St Rehab	305,913	-	-
Rapid Flashing Beacons (3 locations)	49,320	-	-
Library Parking Lot	1,412,538	-	-
Washington St Redesign Pilot	500,000	-	-
Lowell Ave Traffic Safety Improvements	-	50,000	-
MassDOT Needham St (reimbursable)	-	83,455	-
Winter Recovery Assistance Program	-	927,022	-
<b>Total Street Improvement Fund</b>	<b>2,989,642</b>	<b>1,060,477</b>	<b>-</b>
<b>Water System Improvement Fund:</b>			
MWRA - Water System - Accumulated Interest Income	387,106	363,720	-
MWRA - Water System Improvements - Loan of 2018	499,646	-	-
2017 MWRA Lead Replacement	353,304	-	-
MWRA - Water System Improvements - Loan of 2019	1,360,200	-	-
MWRA - Water System Improvements - Loan of 2020	146,727	-	-
MWRA - Water System Improvements - Loan of 2022	1,338,229	-	-
MWRA - Water System Main Improv - Loan of 2022	2,083,700	-	-
MWRA - Water System Main Improv - Loan of 2023	-	2,083,700	-
Water Main Cleaning & Relining - 2014	878	-	-
Water Main Improvements - 2015	136,790	-	-
Water Main Improvements - 2018/19	10,468	-	-
Waban Hill Reservoir Improvements - 2001/2003	3,230	-	-
Water Main Improvements- 2020	1,752,772	-	-
Water Main Improvements-2021	1,086,304	-	-
Waban Hill Reservoir Rehab-Engineering	800,000	-	-
Meter System Replacement- 2022	8,312,500	-	-
Water Main Improvements- 2022	3,200,000	-	-
<b>Total Water System Improvement Fund</b>	<b>21,471,854</b>	<b>2,447,420</b>	<b>-</b>



<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
-	-	732,803
523,788	1,616,117	259,939
<u>523,788</u>	<u>1,616,117</u>	<u>992,742</u>
-	-	114,498
8,184	234,244	1,784,572
<u>8,184</u>	<u>234,244</u>	<u>1,899,070</u>
-	-	45,000
2,420	-	-
-	-	40,410
-	-	2,520
-	-	12,669
8,473	-	84,734
-	-	71,999
803	-	-
42,714	139,691	10,655
-	725,000	-
590,322	359,678	-
298,630	-	1,370
190,201	560,869	48,930
-	-	258,524
-	-	1,000,000
<u>1,133,563</u>	<u>1,785,238</u>	<u>1,576,811</u>
-	-	44,897
-	-	94,274
529,965	26,621	21,584
-	-	4,530
-	108,023	197,890
49,320	-	-
1,056,734	272,596	83,208
105,828	384,712	9,460
-	50,000	-
83,455	-	-
792,683	134,131	208
<u>2,617,985</u>	<u>976,083</u>	<u>456,051</u>
-	-	750,826
499,646	-	-
-	-	353,304
1,205,128	155,072	-
-	-	146,727
340,229	82,546	915,454
-	-	2,083,700
-	-	2,083,700
878	-	-
15,816	74,844	46,130
10,468	-	-
3,230	-	-
35,526	26,175	1,691,071
20,600	1,065,704	-
525,218	274,782	-
2,601,976	3,223,982	2,486,542
-	2,559,970	640,030
<u>5,258,715</u>	<u>7,463,075</u>	<u>11,197,484</u>

(Continued)

**CITY OF NEWTON, MASSACHUSETTS**  
**CAPITAL PROJECTS FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued Appropriations	FY 2023 Appropriations	Transfers
<b>Sanitary Sewer Improvement Fund:</b>			
MWRA - Sewer I&I - Accumulated Interest Income	452,168	374,755	-
Sewer I&I - 2016	11,903	-	-
Sewer I&I- 2018	147,215	-	-
Project Area III/IV/V - 2015	42,418	-	-
Sewer I&I- 2019	160,142	-	-
Stanford St Sewer Extension- 2019	45,858	-	-
Rumford Ave Transfer Station-2019	1,300	-	-
Vactor Combination Cleaner Truck-2020	1,730	-	-
2021 Design Pump Station	93,870	-	-
Islington Road Pump Station	330,000	-	-
Sewer System I&I Proj 8- 2022	1,146,500	-	-
Meter System Replacement- 2022	8,312,500	-	-
Pump Station- 2023	-	4,127,000	-
Crafts St Wash Bay-2023	-	1,000,000	-
MWRA - Infiltration/Inflow - 2014 (Project Area II)	626	-	-
MWRA Infiltration/Inflow - 2016 (Projects III & IV)	272,426	-	-
MWRA Infiltration/Inflow - 2017 Proj	38,046	-	-
MWRA Infiltration/Inflow - 2018 (Proj 6)	1,173	-	-
MWRA Sewer Improvements Grant 2019	42,711	-	-
MWRA Sewer Improvements Grant 2020	4,426,803	-	-
MWRA Infiltration/Inflow - 2021 (Proj 9)	4,580,000	-	-
2023 MWRA- Sewer CIP (Proj 9)	-	4,340,000	-
<b>Total Sanitary Sewer Improvement Fund</b>	<u>20,107,389</u>	<u>9,841,755</u>	<u>-</u>
<b>Storm Drainage Improvement Fund</b>			
Dedham Street Storm Drainage Improvements	12,677	-	-
Laundry Brook Culvert Construction	13,192	-	-
Franklin Storm Water Project	15,352	-	-
Hammond Brook Culvert Repl- 2018	5,240	-	-
Crafts Street Wash Bay -2019	459,784	-	-
S. Meadow Brook Drain Basin- 2019	5,535	-	-
Vacuum Street Sweeper- 2020	19,240	-	-
City Hall Pond & Culverts Dredging-2020	500,000	-	-
Cheesecake Brook Bridge- 2022	8,720	-	-
Bulloughs Pond Dam Rehab- 2022	120,517	-	-
Chestnut St betw Beacon and Comm- 2022	277,739	-	-
Library Parking Lot- Stormwater	753,605	-	-
<b>Total Storm Drainage Improvement Fund</b>	<u>2,191,601</u>	<u>-</u>	<u>-</u>
<b>Capital Stabilization Fund:</b>			
Designated for Fire Station Renovations	16,395	-	-
Designated for Energy Conservation Projects	344,066	49,076	(198,289)
Designated for 2013 Override Capital Projects	154,185	-	-
Designated for Ordinary Capital Appropriations	26,732	-	-
<b>Total Capital Stabilization Fund</b>	<u>541,378</u>	<u>49,076</u>	<u>(198,289)</u>
<b>Total Capital Projects Funds</b>	<u>\$ 108,980,193</u>	<u>\$ 42,486,029</u>	<u>\$ (133,289)</u>

<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
-	-	826,923
11,880	23	-
79,494	49,264	18,457
11,482	7,086	23,850
148,142	-	12,000
-	-	45,858
-	-	1,300
-	-	1,730
93,870	-	-
218,103	19,197	92,700
520,097	626,403	-
2,652,654	3,401,173	2,258,673
-	3,556,779	570,221
-	-	1,000,000
626	-	-
148,974	119,680	3,772
-	1,582	36,464
1,173	-	-
42,711	-	-
1,441,973	2,984,830	-
2,198,118	-	2,381,882
-	-	4,340,000
<u>7,569,297</u>	<u>10,766,017</u>	<u>11,613,830</u>
-	-	12,677
-	-	13,192
-	-	15,352
-	-	5,240
142,521	17,172	300,091
-	-	5,535
-	-	19,240
-	-	500,000
-	-	8,720
34,264	86,233	20
-	-	277,739
525,864	-	227,741
<u>702,649</u>	<u>103,405</u>	<u>1,385,547</u>
-	-	16,395
-	-	194,853
-	-	154,185
-	-	26,732
<u>-</u>	<u>-</u>	<u>392,165</u>
<u>\$ 26,517,974</u>	<u>\$ 27,350,271</u>	<u>\$ 97,464,688</u>

(Concluded)

**CITY OF NEWTON, MASSACHUSETTS**  
**SEWER ENTERPRISE FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued Appropriations	FY 2023 Original Budget	FY 2023 Budget Revisions
Sewer Maintenance & Operation			
Personal Services	\$ -	\$ 2,361,205	\$ -
Expenses	605,885	1,301,287	-
Capital Outlay	913,723	615,000	-
Fringe Benefits	-	354,083	-
Total	<u>1,519,608</u>	<u>4,631,575</u>	<u>-</u>
MWRA Sewer Assessment			
Intergovernmental	<u>-</u>	<u>23,055,078</u>	<u>-</u>
Legal settlements	<u>148,831</u>	<u>50,000</u>	<u>-</u>
Debt Maturities & Interest	<u>-</u>	<u>1,380,975</u>	<u>-</u>
Retirement	<u>-</u>	<u>659,283</u>	<u>-</u>
Transfer - Workers Compensation Fund	<u>-</u>	<u>250,000</u>	<u>-</u>
Transfer - Sewer Capital Project Fund	<u>-</u>	<u>-</u>	<u>500,000</u>
Transfer - General Fund	<u>-</u>	<u>2,070,078</u>	<u>-</u>
<b>Total Sewer Enterprise Fund</b>	<u>\$ 1,668,439</u>	<u>\$ 32,096,989</u>	<u>\$ 500,000</u>

	FY 2023 Budget As Amended	Total Revised FY 2023 Budget	Expended	Encumbrances/ Continued Appropriations	Closed to Fund Balance
\$	2,361,205	\$ 2,361,205	\$ 1,875,092	\$ -	\$ 486,113
	1,301,287	1,907,172	1,204,275	699,753	3,144
	615,000	1,528,723	286,853	1,241,870	-
	354,083	354,083	414,231	-	(60,148)
	<u>4,631,575</u>	<u>6,151,183</u>	<u>3,780,451</u>	<u>1,941,623</u>	<u>429,109</u>
	<u>23,055,078</u>	<u>23,055,078</u>	<u>22,803,614</u>	<u>-</u>	<u>251,464</u>
	<u>50,000</u>	<u>198,831</u>	<u>-</u>	<u>198,831</u>	<u>-</u>
	<u>1,380,975</u>	<u>1,380,975</u>	<u>1,378,652</u>	<u>-</u>	<u>2,323</u>
	<u>659,283</u>	<u>659,283</u>	<u>612,565</u>	<u>-</u>	<u>46,718</u>
	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>2,070,078</u>	<u>2,070,078</u>	<u>2,070,078</u>	<u>-</u>	<u>-</u>
\$	<u><u>32,596,989</u></u>	<u><u>34,265,428</u></u>	<u><u>31,395,360</u></u>	<u><u>2,140,454</u></u>	<u><u>729,614</u></u>

**CITY OF NEWTON, MASSACHUSETTS**  
**WATER ENTERPRISE FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued <u>Appropriations</u>	FY 2023 <u>Original Budget</u>	FY 2023 <u>Budget Revisions</u>
Water Maintenance & Operation			
Personal Services	\$ -	\$ 2,104,771	\$ -
Expenses	1,472,910	1,758,723	-
Capital Outlay	1,444,496	450,000	-
Fringe Benefits	-	414,687	-
Total	<u>2,917,406</u>	<u>4,728,181</u>	<u>-</u>
Debt Maturities & Interest	<u>-</u>	<u>2,989,592</u>	<u>136,020</u>
Retirement	<u>-</u>	<u>941,818</u>	<u>-</u>
MWRA/DEP Assessments & Charges	<u>-</u>	<u>14,349,954</u>	<u>-</u>
Legal Settlements	<u>-</u>	<u>50,000</u>	<u>-</u>
Transfer - Sewer Fund	<u>-</u>	<u>659,930</u>	<u>-</u>
Transfer - General Fund	<u>-</u>	<u>1,756,071</u>	<u>-</u>
Transfer - Water Capital Project Fund	<u>-</u>	<u>-</u>	<u>500,000</u>
Transfer - Workers Compensation Fund	<u>-</u>	<u>250,000</u>	<u>-</u>
<b>Total Water Enterprise Fund</b>	<u>\$ 2,917,406</u>	<u>\$ 25,725,546</u>	<u>\$ 636,020</u>

<u>FY 2023 Budget As Amended</u>	<u>Total Revised FY 2023 Budget</u>	<u>Expended</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
\$ 2,104,771	\$ 2,104,771	\$ 1,594,962	\$ -	\$ 509,809
1,758,723	3,231,633	1,626,491	1,603,685	1,457
450,000	1,894,496	324,798	1,569,698	-
414,687	414,687	361,777	-	52,910
<u>4,728,181</u>	<u>7,645,587</u>	<u>3,908,028</u>	<u>3,173,383</u>	<u>564,176</u>
<u>3,125,612</u>	<u>3,125,612</u>	<u>3,125,612</u>	<u>-</u>	<u>-</u>
<u>941,818</u>	<u>941,818</u>	<u>883,664</u>	<u>-</u>	<u>58,154</u>
<u>14,349,954</u>	<u>14,349,954</u>	<u>14,187,364</u>	<u>-</u>	<u>162,590</u>
<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>659,930</u>	<u>659,930</u>	<u>659,930</u>	<u>-</u>	<u>-</u>
<u>1,756,071</u>	<u>1,756,071</u>	<u>1,756,071</u>	<u>-</u>	<u>-</u>
<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
<u>\$ 26,361,566</u>	<u>\$ 29,278,972</u>	<u>\$ 25,270,669</u>	<u>\$ 3,173,383</u>	<u>\$ 834,920</u>

**CITY OF NEWTON, MASSACHUSETTS**  
**STORMWATER ENTERPRISE FUND**  
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT  
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Continued <u>Appropriations</u>	FY 2023 <u>Original Budget</u>	FY 2023 <u>Budget Revisions</u>
Stormwater Maintenance & Operation			
Personal Services	\$ -	\$ 886,971	\$ (160,000)
Expenses	945,005	843,450	280,000
Capital Outlay	268,129	100,000	(120,000)
Fringe Benefits	-	93,932	-
Total	<u>1,213,134</u>	<u>1,924,353</u>	<u>-</u>
Retirement	<u>-</u>	<u>126,868</u>	<u>-</u>
Legal Settlements	<u>-</u>	<u>-</u>	<u>11,848</u>
Debt Maturities and Interest	<u>-</u>	<u>401,487</u>	<u>-</u>
Budget Reserve	<u>-</u>	<u>750,000</u>	<u>(11,848)</u>
Transfer - General Fund	<u>-</u>	<u>808,674</u>	<u>-</u>
Transfer - Workers Compensation Fund	<u>-</u>	<u>100,000</u>	<u>-</u>
<b>Total Stormwater Enterprise Fund</b>	<b>\$ <u>1,213,134</u></b>	<b>\$ <u>4,111,382</u></b>	<b>\$ <u>-</u></b>



<u>FY 2023 Budget As Amended</u>	<u>Total Revised FY 2023 Budget</u>	<u>Expended</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
\$ 726,971	\$ 726,971	\$ 598,677	\$ -	\$ 128,294
1,123,450	2,068,455	711,340	1,356,207	908
(20,000)	248,129	65,000	183,129	-
93,932	93,932	97,498	-	(3,566)
<u>1,924,353</u>	<u>3,137,487</u>	<u>1,472,515</u>	<u>1,539,336</u>	<u>125,636</u>
<u>126,868</u>	<u>126,868</u>	<u>131,726</u>	<u>-</u>	<u>(4,858)</u>
<u>11,848</u>	<u>11,848</u>	<u>-</u>	<u>11,848</u>	<u>-</u>
<u>401,487</u>	<u>401,487</u>	<u>401,487</u>	<u>-</u>	<u>-</u>
<u>738,152</u>	<u>738,152</u>	<u>-</u>	<u>-</u>	<u>738,152</u>
<u>808,674</u>	<u>808,674</u>	<u>808,674</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
<u>\$ 4,111,382</u>	<u>\$ 5,324,516</u>	<u>\$ 2,914,402</u>	<u>\$ 1,551,184</u>	<u>\$ 858,930</u>

# ***STATISTICAL SECTION***

This part of the City of Newton's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

## **Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

## **Revenue Capacity**

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

## **Debt Capacity**

*These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

## **Demographic and Economic Information**

*This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

## **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**NET POSITION BY COMPONENT**  
(ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental Activities</b>				
Net investment in capital assets.....	\$ 248,739,230	\$ 258,490,143	\$ 260,763,492	\$ 271,665,564
Restricted.....	29,816,361	32,723,876	34,250,976	33,507,464
Unrestricted.....	<u>(138,654,442)</u>	<u>(436,919,140)</u>	<u>(455,531,782)</u>	<u>(853,427,299)</u>
Total governmental activities net position.....	<u>\$ 139,901,149</u>	<u>\$ (145,705,121)</u>	<u>\$ (160,517,314)</u>	<u>\$ (548,254,271)</u>
<b>Business-Type Activities</b>				
Net investment in capital assets.....	\$ 66,943,719	\$ 83,521,987	\$ 89,426,102	\$ 94,552,211
Unrestricted.....	<u>23,050,090</u>	<u>12,101,552</u>	<u>20,314,782</u>	<u>17,913,166</u>
Total business-type activities net position.....	<u>\$ 89,993,809</u>	<u>\$ 95,623,539</u>	<u>\$ 109,740,884</u>	<u>\$ 112,465,377</u>
<b>Primary Government</b>				
Net investment in capital assets.....	\$ 315,682,949	\$ 342,012,130	\$ 350,189,594	\$ 366,217,775
Restricted.....	29,816,361	32,723,876	34,250,976	33,507,464
Unrestricted.....	<u>(115,604,352)</u>	<u>(424,817,588)</u>	<u>(435,217,000)</u>	<u>(835,514,133)</u>
Total primary government net position.....	<u>\$ 229,894,958</u>	<u>\$ (50,081,582)</u>	<u>\$ (50,776,430)</u>	<u>\$ (435,788,894)</u>

	2018	2019	2020	2021	2022	2023
\$	278,142,332	\$ 289,288,369	\$ 299,446,858	\$ 309,888,772	\$ 323,164,760	\$ 345,936,022
	39,481,750	43,753,181	44,698,129	45,150,711	39,478,139	45,192,173
	<u>(880,169,294)</u>	<u>(885,881,588)</u>	<u>(977,457,362)</u>	<u>(1,004,203,638)</u>	<u>(966,259,133)</u>	<u>(929,091,329)</u>
\$	<u>(562,545,212)</u>	<u>(552,840,038)</u>	<u>(633,312,375)</u>	<u>(649,164,155)</u>	<u>(603,616,234)</u>	<u>(537,963,134)</u>
\$	101,217,609	\$ 111,179,650	\$ 117,784,284	\$ 119,952,957	\$ 133,006,941	\$ 137,155,090
	18,708,882	20,677,223	21,775,318	32,743,627	26,471,516	35,098,715
\$	<u>119,926,491</u>	<u>131,856,873</u>	<u>139,559,602</u>	<u>152,696,584</u>	<u>159,478,457</u>	<u>172,253,805</u>
\$	379,359,941	\$ 400,468,019	\$ 417,231,142	\$ 429,841,729	\$ 456,171,701	\$ 483,091,112
	39,481,750	43,753,181	44,698,129	45,150,711	39,478,139	45,192,173
	<u>(861,460,412)</u>	<u>(865,204,365)</u>	<u>(955,682,044)</u>	<u>(971,460,011)</u>	<u>(939,787,617)</u>	<u>(893,992,614)</u>
\$	<u>(442,618,721)</u>	<u>(420,983,165)</u>	<u>(493,752,773)</u>	<u>(496,467,571)</u>	<u>(444,137,777)</u>	<u>(365,709,329)</u>

**GOVERNMENTAL ACTIVITIES**  
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2014	2015	2016	2017
<b>Expenses</b>				
General government.....	\$ 22,716,559	\$ 26,440,640	\$ 28,489,575	\$ 30,363,602
Public safety.....	61,290,201	68,685,178	74,526,967	77,684,860
Education.....	272,447,586	273,738,170	287,559,898	309,135,770
Public works.....	29,223,056	33,419,187	29,698,488	32,690,317
Health and human services.....	11,328,446	11,625,318	12,319,296	12,650,838
Culture and recreation.....	15,164,811	17,759,803	20,385,376	20,368,611
Debt service - interest.....	7,714,546	9,906,400	10,945,881	10,725,817
Total expenses.....	<u>419,885,205</u>	<u>441,574,696</u>	<u>463,925,481</u>	<u>493,619,815</u>
<b>Program Revenues</b>				
Charges for services.....	28,321,486	28,572,429	32,651,120	32,016,871
Operating grants and contributions.....	74,285,730	64,031,611	67,774,244	83,577,037
Capital grants and contributions.....	5,053,677	3,703,180	4,232,242	2,616,320
Total program revenues.....	<u>107,660,893</u>	<u>96,307,220</u>	<u>104,657,606</u>	<u>118,210,228</u>
Net (expense)/revenue.....	<u>(312,224,312)</u>	<u>(345,267,476)</u>	<u>(359,267,875)</u>	<u>(375,409,587)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Real estate and personal property taxes.....	278,426,655	289,075,613	309,686,267	321,041,250
Motor vehicle and other excise taxes.....	11,953,727	12,670,852	13,061,883	13,392,891
Hotel/motel taxes.....	2,218,759	2,330,724	2,444,007	2,263,279
Meal taxes.....	1,557,737	1,786,617	1,880,428	1,938,182
Cannabis state taxes.....	-	-	-	-
Penalties and interest on taxes.....	1,160,092	1,509,583	1,282,596	1,409,030
Payments in lieu of taxes.....	557,065	476,899	461,586	443,150
Community preservation surcharges.....	2,697,187	2,818,748	2,945,936	3,085,259
Grants and contributions not restricted to specific programs.....	5,716,482	5,968,282	6,309,128	6,160,868
Unrestricted investment income.....	230,699	265,809	483,866	909,764
Gain (Loss) on sale of capital assets.....	-	-	-	119,489
Other.....	1,622,541	2,304,964	3,305,255	1,966,066
Transfers, net.....	<u>1,983,994</u>	<u>2,088,882</u>	<u>2,594,730</u>	<u>3,099,125</u>
Total general revenues and other changes in net position.....	<u>308,124,938</u>	<u>321,296,973</u>	<u>344,455,682</u>	<u>355,828,353</u>
<b>Change in net position.....</b>	<u>\$ (4,099,374)</u>	<u>\$ (23,970,503)</u>	<u>\$ (14,812,193)</u>	<u>\$ (19,581,234)</u>

	2018	2019	2020	2021	2022	2023
\$	30,081,504	\$ 31,005,249	\$ 36,091,937	\$ 38,529,670	\$ 48,571,545	\$ 33,623,736
	78,526,981	80,638,692	100,638,858	84,057,523	76,304,626	87,748,682
	315,908,244	318,140,994	397,128,915	378,440,451	334,630,801	344,203,438
	37,206,974	34,337,618	37,447,196	34,821,166	34,441,411	35,735,972
	12,812,793	12,881,214	15,079,778	13,494,717	13,597,466	13,716,818
	21,312,457	20,216,213	21,451,308	19,932,623	19,127,922	21,228,239
	14,416,456	12,394,788	9,292,945	9,651,152	8,963,596	9,017,014
	<u>510,265,409</u>	<u>509,614,768</u>	<u>617,130,937</u>	<u>578,927,302</u>	<u>535,637,367</u>	<u>545,273,899</u>
	34,118,209	35,745,286	33,454,980	22,272,175	32,291,832	40,101,398
	87,258,085	86,589,421	99,194,694	122,100,314	110,210,080	104,623,688
	<u>4,264,589</u>	<u>11,176,779</u>	<u>3,727,020</u>	<u>4,751,688</u>	<u>9,985,525</u>	<u>610,063</u>
	<u>125,640,883</u>	<u>133,511,486</u>	<u>136,376,694</u>	<u>149,124,177</u>	<u>152,487,437</u>	<u>145,335,149</u>
	<u>(384,624,526)</u>	<u>(376,103,282)</u>	<u>(480,754,243)</u>	<u>(429,803,125)</u>	<u>(383,149,930)</u>	<u>(399,938,750)</u>
	331,364,668	346,757,156	359,616,332	376,547,753	384,990,632	413,912,744
	13,649,251	13,857,190	14,331,513	13,690,851	14,099,381	14,573,965
	2,440,667	2,411,164	2,158,604	314,597	1,164,749	1,979,180
	1,902,662	2,026,232	1,838,810	1,352,560	1,982,019	2,387,099
	-	-	269,805	362,725	524,737	648,681
	2,198,862	1,456,045	1,263,507	2,251,230	6,475,203	1,383,623
	1,229,355	620,405	659,283	-	113,922	242,126
	3,254,161	3,385,398	3,527,894	3,676,800	3,799,412	4,018,273
	6,321,899	6,710,460	7,281,872	7,676,004	7,140,815	8,392,099
	1,986,190	3,856,837	2,851,265	462,472	877,523	10,144,691
	92,435	-	-	(496,476)	-	-
	2,157,648	898,387	2,385,716	2,902,230	3,031,108	3,274,546
	<u>3,735,787</u>	<u>3,829,182</u>	<u>4,097,305</u>	<u>4,310,000</u>	<u>4,498,350</u>	<u>4,634,823</u>
	<u>370,333,585</u>	<u>385,808,456</u>	<u>400,281,906</u>	<u>413,050,746</u>	<u>428,697,851</u>	<u>465,591,850</u>
\$	<u>(14,290,941)</u>	<u>9,705,174</u>	<u>(80,472,337)</u>	<u>(16,752,379)</u>	<u>45,547,921</u>	<u>65,653,100</u>

**BUSINESS-TYPE ACTIVITIES**  
 CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2014	2015	2016	2017
<b>Expenses</b>				
Sewer.....	\$ 25,557,836	\$ 26,254,561	\$ 24,958,975	\$ 26,159,136
Water.....	16,702,263	17,503,699	19,439,528	20,212,470
Stormwater.....	-	1,118,476	1,295,988	925,695
Total expenses.....	<u>42,260,099</u>	<u>44,876,736</u>	<u>45,694,491</u>	<u>47,297,301</u>
<b>Program Revenues</b>				
Charges for services.....	51,347,815	54,741,671	59,064,372	61,488,035
Operating grants and contributions.....	514,894	506,547	545,793	464,271
Capital grants and contributions.....	<u>5,480</u>	<u>3,797,829</u>	<u>2,796,401</u>	<u>91,567</u>
Total program revenues.....	<u>51,868,189</u>	<u>59,046,047</u>	<u>62,406,566</u>	<u>62,043,873</u>
Net (expense)/revenue.....	<u>9,608,090</u>	<u>14,169,311</u>	<u>16,712,075</u>	<u>14,746,572</u>
<b>General Revenues and Transfers</b>				
Gain (loss) on sale of capital asset.....	-	-	-	(55,259)
Transfers, net.....	<u>(1,983,994)</u>	<u>(2,088,882)</u>	<u>(2,594,730)</u>	<u>(3,099,125)</u>
<b>Change in net position.....</b>	<u>\$ 7,624,096</u>	<u>\$ 12,080,429</u>	<u>\$ 14,117,345</u>	<u>\$ 11,592,188</u>

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	26,252,621	\$ 28,066,143	\$ 29,156,347	\$ 27,836,234	\$ 28,952,544	\$ 31,285,898
	20,424,302	19,845,729	21,402,813	20,629,851	21,574,951	20,802,779
	<u>2,785,074</u>	<u>1,630,752</u>	<u>1,801,572</u>	<u>1,510,859</u>	<u>1,600,409</u>	<u>1,988,302</u>
	<u>49,461,997</u>	<u>49,542,624</u>	<u>52,360,732</u>	<u>49,976,944</u>	<u>52,127,904</u>	<u>54,076,979</u>
	59,362,817	60,059,988	60,011,504	67,148,742	62,874,448	66,988,763
	348,089	1,182,080	471,521	486,926	476,860	504,912
	<u>947,992</u>	<u>4,118,366</u>	<u>3,649,886</u>	<u>24,265</u>	<u>56,819</u>	<u>3,993,475</u>
	<u>60,658,898</u>	<u>65,360,434</u>	<u>64,132,911</u>	<u>67,659,933</u>	<u>63,408,127</u>	<u>71,487,150</u>
	<u>11,196,901</u>	<u>15,817,810</u>	<u>11,772,179</u>	<u>17,682,989</u>	<u>11,280,223</u>	<u>17,410,171</u>
	-	(58,246)	27,855	(236,007)	-	-
	<u>(3,735,787)</u>	<u>(3,829,182)</u>	<u>(4,097,305)</u>	<u>(4,310,000)</u>	<u>(4,498,350)</u>	<u>(4,634,823)</u>
\$	<u><u>7,461,114</u></u>	<u><u>11,930,382</u></u>	<u><u>7,702,729</u></u>	<u><u>13,136,982</u></u>	<u><u>6,781,873</u></u>	<u><u>12,775,348</u></u>



**PRIMARY GOVERNMENT**  
 CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total expenses.....	\$ 462,145,304	\$ 486,451,432	\$ 509,619,972	\$ 540,917,116
Total program revenues.....	<u>159,529,082</u>	<u>155,353,267</u>	<u>167,064,172</u>	<u>180,254,101</u>
Net (expense)/revenue.....	(302,616,222)	(331,098,165)	(342,555,800)	(360,663,015)
Total general revenues, transfers and other changes in net position.....	<u>306,140,944</u>	<u>319,208,091</u>	<u>341,860,952</u>	<u>352,673,969</u>
<b>Change in net position.....</b>	<b><u><u>\$ 3,524,722</u></u></b>	<b><u><u>\$ (11,890,074)</u></u></b>	<b><u><u>\$ (694,848)</u></u></b>	<b><u><u>\$ (7,989,046)</u></u></b>

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<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
559,727,406	\$ 559,157,392	\$ 669,491,669	\$ 628,904,246	\$ 587,765,271	\$ 599,350,878
<u>186,299,781</u>	<u>198,871,920</u>	<u>200,509,605</u>	<u>216,784,110</u>	<u>215,895,564</u>	<u>216,822,299</u>
(373,427,625)	(360,285,472)	(468,982,064)	(412,120,136)	(371,869,707)	(382,528,579)
<u>366,597,798</u>	<u>381,921,028</u>	<u>396,212,456</u>	<u>408,504,739</u>	<u>424,199,501</u>	<u>460,957,027</u>
<u>(6,829,827)</u>	<u>\$ 21,635,556</u>	<u>\$ (72,769,608)</u>	<u>\$ (3,615,397)</u>	<u>\$ 52,329,794</u>	<u>\$ 78,428,448</u>

**GOVERNMENTAL FUNDS**  
**FUND BALANCES (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>				
Restricted.....	\$ 2,849,507	\$ 3,006,074	\$ 2,814,268	\$ 3,557,530
Committed.....	4,889,216	5,308,421	8,851,803	14,868,949
Assigned.....	2,677,990	2,451,384	2,176,104	2,376,483
Unassigned.....	<u>26,259,064</u>	<u>27,757,785</u>	<u>43,616,522</u>	<u>46,247,662</u>
Total general fund.....	<u>\$ 36,675,777</u>	<u>\$ 38,523,664</u>	<u>\$ 57,458,697</u>	<u>\$ 67,050,624</u>
<b>All Other Governmental Funds</b>				
Nonspendable.....	\$ 397,250	\$ 397,170	\$ 397,049	\$ 396,932
Restricted.....	30,289,935	38,421,915	50,313,321	39,994,517
Committed.....	1,736,249	1,281,577	1,554,522	1,679,111
Unassigned.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds.....	<u>\$ 32,423,434</u>	<u>\$ 40,100,662</u>	<u>\$ 52,264,892</u>	<u>\$ 42,070,560</u>

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	2,534,792	\$ 2,429,856	\$ 2,429,856	\$ 2,153,889	\$ 2,044,712	\$ 1,935,535
	14,389,268	15,274,720	13,964,488	11,175,244	17,895,032	20,131,718
	5,667,495	5,854,412	8,200,717	10,057,666	10,871,394	12,119,775
	<u>44,030,380</u>	<u>47,461,036</u>	<u>48,429,978</u>	<u>60,753,316</u>	<u>72,941,098</u>	<u>81,892,026</u>
\$	<u><u>66,621,935</u></u>	<u><u>71,020,024</u></u>	<u><u>73,025,039</u></u>	<u><u>84,140,115</u></u>	<u><u>103,752,236</u></u>	<u><u>116,079,054</u></u>
\$	397,064	\$ 399,125	\$ 366,932	\$ 366,932	\$ 366,932	\$ 366,932
	54,303,913	44,186,541	57,123,913	46,662,028	46,978,329	64,681,917
	3,440,236	4,211,733	3,872,330	4,260,043	3,320,892	4,165,867
	<u>(482,998)</u>	<u>-</u>	<u>(492,759)</u>	<u>(3,214,268)</u>	<u>(1,557,167)</u>	<u>(1,738,991)</u>
\$	<u><u>57,658,215</u></u>	<u><u>48,797,399</u></u>	<u><u>60,870,416</u></u>	<u><u>48,074,735</u></u>	<u><u>49,108,986</u></u>	<u><u>67,475,725</u></u>

**GOVERNMENTAL FUNDS**  
CHANGES IN FUND BALANCES (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019
<b>REVENUES</b>						
Real estate and personal property taxes.....	\$ 277,636,527	\$ 288,700,477	\$ 308,965,868	\$ 319,976,273	\$ 331,697,183	\$ 345,311,921
Motor vehicle and other excise taxes.....	12,057,191	12,486,356	13,122,277	13,486,831	13,482,711	13,734,610
Hotel/motel tax.....	2,218,759	2,330,724	2,444,007	2,263,279	2,440,667	2,411,164
Meals tax.....	1,557,737	1,786,617	1,880,428	1,938,182	1,902,662	2,026,232
Cannabis State Tax.....	-	-	-	-	-	-
Payments in lieu of taxes.....	475,741	465,822	476,083	415,835	1,304,593	618,720
Community preservation surcharges.....	2,689,198	2,814,155	2,946,847	3,074,706	3,255,316	3,372,765
Charges for services.....	19,090,133	19,628,195	20,126,506	20,403,479	21,772,655	22,531,156
Intergovernmental.....	83,629,746	53,128,480	60,527,637	91,204,897	95,618,448	102,923,784
Special assessments.....	189,547	190,603	169,588	193,238	255,536	196,479
Penalties and interest on taxes.....	1,160,091	1,508,259	1,282,596	1,409,030	2,198,862	1,456,045
Licenses and permits.....	7,538,284	7,621,990	10,483,024	10,084,619	11,226,292	13,165,275
Fines and forfeitures.....	1,889,935	1,808,854	2,046,389	1,762,093	1,703,654	1,573,549
Contributions.....	1,112,823	1,016,439	1,446,969	1,336,660	1,395,073	947,105
Investment income.....	328,015	270,552	490,874	1,036,413	2,102,896	3,970,778
Miscellaneous/other.....	737,709	1,606,532	1,127,899	837,319	904,088	613,662
	<u>412,311,436</u>	<u>395,364,055</u>	<u>427,536,992</u>	<u>469,422,854</u>	<u>491,260,636</u>	<u>514,853,245</u>
<b>EXPENDITURES</b>						
Current:						
General government.....	22,784,656	27,381,322	30,839,020	38,944,088	30,635,662	26,456,370
Public safety.....	42,177,396	43,368,473	46,354,662	51,881,011	52,080,273	55,766,763
Education.....	230,391,740	236,571,691	273,044,983	300,304,073	295,108,157	318,471,378
Public works.....	31,082,397	33,411,422	29,034,856	33,766,661	38,029,703	36,456,127
Health and human services.....	4,656,637	4,545,590	4,924,260	5,172,086	5,335,432	5,525,265
Culture and recreation.....	12,443,344	13,867,205	16,256,351	18,098,831	18,719,503	17,824,959
Retirement benefits.....	60,134,090	29,199,509	31,235,486	33,521,494	35,651,800	39,410,176
Insurance.....	1,778,619	2,000,027	1,618,006	1,931,586	1,706,172	1,717,261
Claims and judgments.....	171,221	232,282	244,752	157,075	116,369	368,203
State and county charges.....	5,783,939	5,875,034	6,113,282	6,143,354	6,050,954	6,351,888
Debt service:						
Principal.....	10,367,425	9,824,367	10,747,967	12,247,667	12,840,967	13,162,267
Interest.....	7,411,724	8,009,057	8,177,639	8,325,141	9,814,380	10,919,960
	<u>429,183,188</u>	<u>414,285,979</u>	<u>458,591,264</u>	<u>510,493,067</u>	<u>506,089,372</u>	<u>532,430,617</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>						
	<u>(16,871,752)</u>	<u>(18,921,924)</u>	<u>(31,054,272)</u>	<u>(41,070,213)</u>	<u>(14,828,736)</u>	<u>(17,577,372)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in.....	10,802,542	9,399,205	10,001,522	9,103,803	7,259,431	9,126,677
Proceeds of bonds and notes.....	20,936,000	25,505,000	55,340,000	35,528,500	24,542,000	8,480,000
Premium from issuance of bonds and notes.....	749,963	1,197,352	3,955,263	1,479,298	1,880,482	805,463
Proceeds of refunding bonds.....	-	19,635,000	19,610,000	65,775,000	11,859,000	-
Premium from issuance of refunding bonds.....	-	1,759,523	2,430,245	5,535,226	1,673,284	-
Sale of capital assets/leases.....	27,419	13,300	129,179	115,194	92,435	-
Transfers out.....	(8,295,548)	(7,264,297)	(7,272,429)	(6,004,678)	(3,523,644)	(5,297,495)
Payments to refunding bond escrow agent.....	-	(21,798,044)	(22,040,245)	(71,064,535)	(13,795,286)	-
	<u>24,220,376</u>	<u>28,447,039</u>	<u>62,153,535</u>	<u>40,467,808</u>	<u>29,987,702</u>	<u>13,114,645</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>\$ 7,348,624</u>	<u>\$ 9,525,115</u>	<u>\$ 31,099,263</u>	<u>\$ (602,405)</u>	<u>\$ 15,158,966</u>	<u>\$ (4,462,727)</u>
<b>DEBT SERVICE EXPENDITURES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>						
	4.1%	4.3%	4.1%	4.0%	4.5%	4.5%

	2020	2021	2022	2023
\$	357,254,573	\$ 378,021,205	\$ 391,533,233	\$ 411,266,171
	13,682,730	14,092,497	14,308,074	14,225,562
	2,158,604	314,597	1,164,749	1,979,180
	1,838,810	1,352,560	1,982,019	2,387,099
	269,805	362,725	524,737	648,681
	712,629	403,873	2,333,423	242,126
	3,490,319	3,704,447	3,838,259	3,997,569
	18,844,265	14,134,622	18,726,678	24,417,751
	109,212,374	133,643,602	122,424,804	111,380,880
	303,789	200,149	154,969	232,175
	1,263,507	2,251,230	6,475,203	1,383,623
	14,154,952	9,332,750	13,938,696	14,977,451
	1,235,061	260,431	722,919	1,270,370
	1,247,572	782,961	1,384,755	1,572,995
	2,969,762	821,357	741,321	10,401,470
	534,397	756,414	767,589	1,593,296
	<u>529,173,149</u>	<u>560,435,420</u>	<u>581,021,428</u>	<u>601,976,399</u>
	43,389,873	32,490,168	52,288,414	39,870,070
	57,552,339	57,238,867	63,164,450	66,735,390
	318,228,515	336,854,738	320,154,752	330,980,980
	38,953,081	44,011,232	37,520,293	36,444,415
	6,020,763	5,870,712	6,783,863	6,506,728
	16,047,376	13,698,005	17,243,491	19,463,545
	41,058,809	42,916,424	47,772,419	51,710,352
	1,786,233	1,840,480	1,867,239	1,908,939
	470,867	126,534	1,858,593	657,591
	6,483,982	6,507,813	6,453,245	6,542,353
	14,026,667	14,829,667	14,834,667	15,439,667
	10,432,503	10,985,514	10,457,576	10,190,772
	<u>554,451,008</u>	<u>567,370,154</u>	<u>580,399,002</u>	<u>586,450,802</u>
	<u>(25,277,859)</u>	<u>(6,934,734)</u>	<u>622,426</u>	<u>15,525,597</u>
	9,685,211	6,421,393	14,146,775	25,480,574
	32,008,000	-	13,755,000	9,620,700
	3,250,586	43,530	668,936	912,437
	-	-	-	-
	-	-	-	-
	-	-	1,101,660	-
	(5,587,906)	(2,111,393)	(9,648,425)	(20,845,751)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>39,355,891</u>	<u>4,353,530</u>	<u>20,023,946</u>	<u>15,167,960</u>
\$	<u>14,078,032</u>	\$ <u>(2,581,204)</u>	\$ <u>20,646,372</u>	\$ <u>30,693,557</u>
	4.4%	4.5%	4.4%	4.4%

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)**

**LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Real Property	Commercial and Industrial Real Property	Personal Property				
2014	18,687,096,235	1,906,786,065	368,307,500	20,962,189,800	13.13	22,305,253,800	93.98%
2015	19,995,837,989	2,270,794,311	398,472,900	22,665,105,200	12.65	22,305,253,800	101.61%
2016	21,618,642,652	2,285,453,048	417,722,300	24,321,818,000	12.31	26,223,773,800	92.75%
2017	23,453,469,746	2,287,653,254	401,743,300	26,142,866,300	11.98	26,223,773,800	99.69%
2018	25,270,096,630	2,400,479,370	434,148,500	28,104,724,500	11.64	30,006,442,400	93.66%
2019	27,369,325,232	2,596,372,968	459,149,400	30,424,847,600	11.24	30,006,442,400	101.39%
2020	28,565,605,020	2,499,190,780	472,007,200	31,536,803,000	11.30	33,734,313,300	93.49%
2021	28,953,587,172	2,756,282,428	483,291,200	32,193,160,800	11.53	33,734,313,300	95.43%
2022	31,078,907,345	2,791,292,155	484,176,000	34,354,375,500	11.28	35,764,453,000	96.06%
2023	33,729,173,360	2,869,118,840	504,991,200	37,103,283,400	10.86	35,764,453,000	103.74%

**Source:** City of Newton Annual Tax Recap Sheet

(1) Does not include valuation affected by residential exemption

(2) As of January 1st

(3) Estimated actual value is based on equalized valuations determined biennially by the Commissioner of Revenue

## DIRECT PROPERTY TAX RATES (1) (2)

### LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential Real Property</u>	<u>Commercial and Industrial Real Property</u>	<u>Personal Property</u>	<u>Total Direct (3)</u>
2014	12.12	23.18	23.18	13.13
2015	11.61	22.38	22.38	12.65
2016	11.38	21.94	21.94	12.31
2017	11.12	21.27	21.27	11.98
2018	10.82	20.62	20.62	11.64
2019	10.45	19.94	19.94	11.24
2020	10.44	19.92	19.92	11.30
2021	10.76	20.12	20.12	11.53
2022	10.52	19.95	19.95	11.28
2023	10.18	19.07	19.07	10.86

**Source:** City of Newton Tax Recap Sheets

(1) Rates are applicable to each \$1,000 of assessed value

(2) Per the initiatives of Proposition 2 1/2 adopted by the Commonwealth of Massachusetts, the City cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property. The City's levy is also limited in that it cannot increase more than 2.5 percent from the prior year, with certain exceptions for new growth or through overrides and exclusions adopted by City voters.

(3) Calculated by dividing the net tax levy by total assessed value divided by 1,000



**PRINCIPAL PROPERTY TAXPAYERS**

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2023			2013		
	Tax Levy	Rank	Percentage of Total Tax Levy	Tax Levy	Rank	Percentage of Total Tax Levy
Are-Ma Region No 76 LLC	\$ 3,713,461	1	0.91%	\$ N/A	N/A	N/A
NStar Electric/Eversource	3,461,306	2	0.85%	1,399,704	1	0.55%
Boston Gas/National Grid	2,855,296	3	0.70%	N/A	N/A	N/A
Chestnut Hill Shopping Center LLC	2,832,241	4	0.69%	N/A	N/A	N/A
CHS Commercial Owner LLC	2,242,308	5	0.55%	531,585	7	0.21%
Mall at Chestnut Hill LLC	2,040,490	6	0.50%	N/A	N/A	N/A
CHSP Newton LLC	1,543,558	7	0.38%	719,352	3	0.28%
TCD 234 MA Wells Property LLC	1,526,960	8	0.37%	N/A	N/A	N/A
Atrium Wellness Center II LLC	1,497,703	9	0.37%	572,940	6	0.22%
Avalon Upper Falls LLC	1,018,673	10	0.25%	N/A	N/A	N/A
Riverside Project, LLC	N/A	N/A	N/A	1,034,483	2	0.40%
Julian Cohen & Daniel Rothenberg Trust	N/A	N/A	N/A	701,470	4	0.27%
National Grid - Natural Gas Utility	N/A	N/A	N/A	653,167	5	0.25%
Verizon, New England Inc.	N/A	N/A	N/A	516,301	8	0.20%
Thomas White Trust	N/A	N/A	N/A	491,033	9	0.19%
Daniel Rothenberg	N/A	N/A	N/A	486,164	10	0.19%
<b>Total</b>	<b>\$ 22,731,996</b>		<b>5.57%</b>	<b>\$ 7,106,199</b>		<b>2.76%</b>

Source: City of Newton Board of Assessors.

**PROPERTY TAX LEVIES AND COLLECTIONS**

LAST TEN FISCAL YEARS

Fiscal Year	Net Tax Levy	Collected within the Fiscal Year of the Levy		Actual Subsequent Collections	Total Collections to Date	
		Current Tax Collections	Percent of Net Levy Collected		Total Tax Collections	Total Collections as a % of Net Levy (1)
2014	275,166,240	274,820,049	99.87%	2,907,752	277,727,801	100.93%
2015	286,813,970	286,945,789	100.05%	3,278,528	290,224,317	101.19%
2016	299,404,279	300,308,851	100.30%	3,226,958	303,535,809	101.38%
2017	313,076,020	312,929,603	99.95%	5,457,520	318,387,123	101.70%
2018	327,216,395	324,044,849	99.03%	3,818,017	327,862,866	100.20%
2019	341,869,514	341,193,965	99.80%	4,749,244	345,943,209	101.19%
2020	356,245,085	352,098,630	98.84%	6,947,521	359,046,151	100.79%
2021	371,081,604	370,944,604	99.96%	2,348,134	373,292,738	100.60%
2022	387,547,722	387,685,067	100.04%	858,685	388,543,752	100.26%
2023	402,807,686	402,551,375	99.94%	-	402,551,375	99.94%

**Source:** Annual Tax Recap Sheet and General Ledger records

(1) Total collections can exceed 100% due to the City's conservative statutory reserve for abatements, which reduces the net tax levy.

**RATIOS OF OUTSTANDING DEBT BY TYPE**

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds	MWRA/MCWT Loans		
2014	199,866,399	14,265,000	15,726,829	229,858,228	2,604
2015	215,267,032	16,364,817	12,863,980	244,495,829	2,753
2016	265,560,962	12,753,651	15,539,608	293,854,221	3,300
2017	297,129,294	11,363,684	20,434,763	328,927,741	3,696
2018	309,971,105	12,669,055	18,453,577	341,093,737	3,837
2019	304,886,963	18,797,987	17,448,871	341,133,821	3,858
2020	324,893,237	18,682,996	18,285,646	361,861,879	4,093
2021	308,666,842	21,208,834	15,893,720	345,769,396	3,954
2022	306,813,846	22,617,477	16,833,040	346,264,363	3,963
2023	300,490,686	30,941,199	17,287,770	348,719,655	3,991

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the "Demographic and Economic Statistics" schedule located in the Statistical Section for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

LAST TEN FISCAL YEARS

Net General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Less: Resources Restricted for Debt Principal	Total Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Percentage of Estimated Personal Income (2)
2014	199,866,399	(2,896,430)	196,969,969	0.88%	3.71%
2015	215,267,032	(2,835,755)	212,431,277	0.95%	3.77%
2016	265,560,962	(2,992,322)	262,568,640	1.00%	4.59%
2017	297,129,294	(2,803,983)	294,325,311	1.12%	5.25%
2018	309,971,105	(2,442,053)	307,529,052	1.02%	5.23%
2019	304,886,963	(2,339,315)	302,547,648	1.01%	4.99%
2020	324,893,237	(2,234,379)	322,658,858	0.96%	5.22%
2021	308,666,842	(2,234,379)	306,432,463	0.91%	4.74%
2022	306,813,846	(2,017,980)	304,795,866	0.85%	4.75%
2023	300,490,686	(1,908,803)	298,581,883	0.83%	4.22%

(1) See the "Assessed Value and Estimated Actual Value of Taxable Property" schedule located in the Statistical Section for property value data.

(2) See the "Demographic and Economic Statistics" schedule located in the Statistical Section for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**DIRECT AND OVERLAPPING DEBT**

JUNE 30, 2023

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Massachusetts Water Resources Authority.....	\$ 4,644,053,000	4.41%	\$ <u>204,815,997</u>
City direct debt.....			<u>348,719,655</u>
Total direct and overlapping debt.....			<u>\$ 553,535,652</u>

**Sources:** MWRA

**LEGAL DEBT MARGIN INFORMATION**

LAST FIVE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Equalized valuation..... \$	35,764,453,000	\$ 35,764,453,000	\$ 33,734,313,300	\$ 33,734,313,300	\$ 30,006,442,400
Normal debt limit (5% of equalized valuation).....	1,788,222,650	1,788,222,650	1,686,715,665	1,686,715,665	1,500,322,120
Debt applicable to limit:					
Total bonded debt.....	348,719,655	346,264,363	345,769,396	361,861,879	341,133,821
Less: General obligation bonds exempted by authority of state legislature.....	<u>(28,217,770)</u>	<u>(24,352,620)</u>	<u>(20,312,900)</u>	<u>(23,100,445)</u>	<u>(21,624,211)</u>
Total net debt applicable to limit.....	<u>320,501,885</u>	<u>321,911,743</u>	<u>325,456,496</u>	<u>338,761,434</u>	<u>319,509,610</u>
Legal debt margin..... \$	<u>1,467,720,765</u>	<u>\$ 1,466,310,907</u>	<u>\$ 1,361,259,169</u>	<u>\$ 1,347,954,231</u>	<u>\$ 1,180,812,510</u>
Total net debt applicable to the limit as a percentage of normal debt limit.....	<u>17.9%</u>	<u>18.0%</u>	<u>19.3%</u>	<u>20.1%</u>	<u>21.3%</u>

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

LAST TEN CALENDAR YEARS

Year	Population	Median Age	Per Capita Income	Estimated Personal Income	Median Family Income	Public School Enrollment	Unemployment Rate (%)
2013	86,307	40.2	61,530	5,310,469,710	113,416	12,441	4.2%
2014	88,287	40.1	63,872	5,639,067,264	119,148	12,503	3.4%
2015	88,817	41.9	64,475	5,726,476,075	118,639	12,508	3.1%
2016	89,045	42.3	62,983	5,608,321,235	122,080	12,657	2.5%
2017	88,994	40.5	66,047	5,877,786,718	127,402	12,750	2.4%
2018	88,904	40.5	68,155	6,059,252,120	133,853	12,685	1.8%
2019	88,414	40.5	69,859	6,176,513,626	139,696	12,611	1.5%
2020	88,414	40.5	73,101	6,463,151,814	151,068	11,910	5.5%
2021	87,453	40.5	73,398	6,418,875,294	154,398	11,810	3.8%
2022	87,381	40.5	81,020	7,079,608,620	164,607	11,717	2.6%

**Sources:** Population from City census

Per capita income, median age, and median family income is from various U.S. Census reports

Unemployment rates from Massachusetts Division of Unemployment Assistance for September of each year.

School enrollment represents October 1 total enrollment per Newton Public Schools.

**EMPLOYEES BY FUNCTION/PROGRAM**

LAST FIVE FISCAL YEARS

Employees as of June 30					
Function/Program	2023	2022	2021	2020	2019
General government.....	178	155	146	149	148
Public safety.....	392	410	389	389	411
Education.....	2,420	2,066	1,424	1,424	1,424
Public works .....	112	107	92	111	103
Health and human services.....	50	46	53	50	48
Culture and recreation.....	101	98	92	92	95
Water.....	17	19	21	21	24
Sewer.....	19	24	25	26	24
Stormwater.....	7	8	8	8	6
<b>Total.....</b>	<b>3,296</b>	<b>2,933</b>	<b>2,250</b>	<b>2,270</b>	<b>2,283</b>

**Source:** City of Newton payroll



**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

LAST FIVE FISCAL YEARS

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
Public safety					
Police					
Stations.....	1	1	1	1	1
Vehicles.....	69	69	69	69	69
Fire					
Stations.....	6	6	6	6	6
Firefighting Vehicles.....	9	9	9	9	9
Education					
Public school buildings.....	22	22	22	22	22
Public works					
Streets (miles).....	310	310	310	310	310
Streetlights.....	8,595	8,595	8,595	8,595	8,595
Traffic signals.....	98	98	98	98	98
Parking meters.....	1,671	1,671	1,671	1,671	1,671
Culture and recreation					
Public libraries					
Main library.....	1	1	1	1	1
Park & playground Acreage.....	595	595	595	595	595
Outdoor swimming facilities.....	2	2	2	2	2
Indoor swimming facilities.....	1	1	1	1	1
Public street trees	30,000	30,000	30,000	30,000	30,000
Water					
Water mains (miles).....	300	300	300	300	300
Fire hydrants.....	2,400	2,400	2,400	2,400	2,400
Storage capacity (thousands of gallons).....	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Sewer					
Sanitary sewers (miles).....	300	300	300	300	300
Sewer pump stations.....	10	10	10	10	10
Stormwater					
Stormdrains (miles).....	324	324	324	324	324

**Sources:** Various departments of the City of Newton